



State of California—Health and Human Services Agency
Department of Health Care Services



GAVIN NEWSOM
GOVERNOR

DATE: July 26, 2021

Behavioral Health Information Notice No: 21-042

TO: California Alliance of Child and Family Services
California Association for Alcohol/Drug Educators
California Association of Alcohol & Drug Program Executives, Inc.
California Association of DUI Treatment Programs
California Association of Social Rehabilitation Agencies
California Consortium of Addiction Programs and Professionals
California Council of Community Behavioral Health Agencies
California Hospital Association
California Opioid Maintenance Providers
California State Association of Counties
Coalition of Alcohol and Drug Associations
County Behavioral Health Directors
County Behavioral Health Directors Association of California
County Drug & Alcohol Administrators

SUBJECT: Mental Health Services Act (MHSA) Revenue and Expenditure Report for Fiscal Year (FY) 2020-21

PURPOSE: This Information Notice informs counties of the Annual MHSA Revenue and Expenditure Report (ARER) requirements for FY 2020-21.

REFERENCE: Welfare and Institutions Code (W&I) Section 5899 and California Code of Regulations (CCR), Title 9, Sections 3510, 3510.010 and 3510.020.

BACKGROUND:

This Information Notice informs counties of the Annual MHSA Revenue and Expenditure Report (ARER) requirements for FY 2020-21. Beginning with the FY 2020-21 ARER, counties will **complete the ARER online** through the [Enterprise Cost Reporting Settement System \(ECRS\)](#). The ARER form and instructions may be accessed through Department of Health Care Services ([DHCS](#)) [application portal](#). A copy of the [DHCS 1820 Annual MHSA Revenue and Expenditure Report and Adjustment Worksheet County Certification](#) is enclosed. DHCS anticipates the ARER will be available on the ECRS by Fall 2021.

The reporting for the ARER should reflect all activity that occurred between July 1, 2020, and June 30, 2021.

Expenditures should be recognized in the period that the fund liability is incurred (Accounting Standards and Procedures for Counties, State Controller's Office (SCO), May 2020). Counties should continue to comply with all requirements in the SCO publication, Accounting Standards and Procedures for Counties, and with the requirements set forth in the MHPA and other applicable laws, including the prohibition against supplantation.

Submission:

Pursuant to Title 9, CCR section 3510, each county is required to submit the ARER to the DHCS no later than January 31, following the end of the fiscal year. **The deadline for submitting the FY 2020-21 ARER is January 31, 2022.**

The ARER **must be completed online and submitted** using the ECRS system which can be accessed through the [DHCS Application Portal](#). The [DHCS 1820 Annual MHPA Revenue and Expenditure Report and Adjustment Worksheet County Certification](#) must be submitted along with the online ARER submission by uploading the completed PDF document as an attachment on ECRS.

Pursuant to Title 9, CCR sections 3510.010 (b) and 3510.020 (b), each county is required to post a copy of their submitted ARER on the county's website, as well as provide a copy to their county's Mental Health Board, within 30 days of submission to the state.

Pursuant to W&I section 5899(e), the Department may withhold MHPA funds from a county that does not submit their ARER by the required deadline. DHCS will direct SCO to withhold 25 percent of a county's monthly allocation from the Mental Health Services Fund for any county that has not submitted a complete and accurate ARER by the required deadline. Once a county becomes current with its complete and accurate ARERs, DHCS will direct SCO to release the funds withheld to the county. Counties will not earn interest on funds that the state withholds.

Please be advised that the State may audit the ARER. Accordingly, counties will need to maintain all accounting and management information system reports used to substantiate what was reported in the ARER for a minimum of seven years from the end of the fiscal year in which the records were prepared for future audit purposes.

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Please send any questions you have regarding this Information Notice to
MHSA@dhcs.ca.gov.

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Original signed by

Marlies Perez, Chief
Community Services Division