

**Annual MHSA Revenue and Expenditure Report  
Fiscal Year 2011-12  
INSTRUCTIONS**

**A. Background**

Welfare and Institutions Code Section (WIC §) 5899 provides that the State Department of Health Care Services, in consultation with the Mental Health Services Oversight and Accountability Commission and the California Mental Health Directors Association, shall develop and administer instructions for the Annual Mental Health Services Act (MHSA) Revenue and Expenditure Report (RER).

**B. Purpose**

Per WIC § 5899, the purpose of the report is as follows:

1. Identify the expenditures of MHSA funds that were distributed to each county;
2. Quantify the amount of additional funds generated for the mental health system as a result of the MHSA;
3. Identify unexpended funds and interest earned on MHSA funds; and,
4. Determine reversion amounts (if applicable) from prior fiscal year distributions.

The report is intended to provide information that allows for the evaluation of all of the following:

- a) Children's system of care;
- b) Prevention and Early Intervention strategies;
- c) Innovative projects;
- d) Workforce education and training;
- e) Adults and older adults systems of care; and,
- f) Capital facility and technology needs.

**C. MHSA County Fiscal Accountability Certification Form (Enclosure 1)**

This is a signed statement by the County Mental Health Director and the County Auditor Controller that all expenditures are consistent with the requirements of the Mental Health Services Act, including WIC §§ 5813.5, 5830, 5840, 5847, 5891, and 5892; and Title 9 of the California Code of Regulations Sections 3400 and 3410. This statement certifies that the information submitted in the County's Revenue and Expenditures report is true and correct.

**D. MHSA Component Expenditures Worksheets (Enclosure 3)**

These worksheets are used to provide the total expenditures for each MHSA-funded program. Expenditures should be recognized in the period that the fund liability is incurred. (Accounting Standards and Procedures for Counties, State Controller's Office, May 2003)

Counties must report any expenditures occurring between **July 1, 2011 and June 30, 2012**, on the appropriate component worksheet.

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Counties should reflect total (gross) program expenditures for each MHA program on the MHA Component Expenditure Worksheets. The sources of funding (MHA funds, federal financial participation, realignment funds, and other) will be reflected on the Identification of Unspent Funds worksheet, MHA Fiscal Year (FY) 2011-12 Fund Sources.

**Community Services and Support (CSS) Summary**

Counties must report total (gross) program expenditures for each Full Service Partnership (FSP) program, non-FSP program, CSS evaluation, CSS administration, and any funds assigned to the MHA Housing Program as separate lines in the worksheet.

**Prevention and Early Intervention (PEI) Summary**

Counties must report total (gross) program expenditures for each PEI program, PEI administration, and PEI evaluation as separate lines in the worksheet. The three counties (Shasta, San Joaquin, and Nevada) that received PEI Statewide Funds to fund PEI programs at the local level must report these expenditures as part of the PEI component expenditure.

**Innovation (INN) Summary**

Counties must report total (gross) program expenditures for each INN program, INN administration, and INN evaluation as separate lines in the worksheet.

**Workforce Education and Training (WET) Summary**

Counties must enter the total (gross) program expenditures for each WET funding category and WET administration as separate lines in the worksheet.

**Capital Facilities/Technological Needs (CF/TN) Summary**

Counties must enter the total (gross) project expenditures for each capital facility project, capital facility administration, technological needs project, and technological needs administration as separate lines in the worksheet.

**PEI Training and Technical Assistance Capacity Building (TTACB), WET Regional Partnerships (RP), PEI Statewide Programs Summary**

Counties must report total (gross) expenditures for PEI TTACB, WET Regional Partnerships (RP), and PEI Statewide Projects as separate lines in the worksheet.

PEI TTACB expenditures represent actual costs incurred.

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WET RP expenditures should only be completed by the five counties (Alameda, Glenn, Los Angeles, Placer, and San Bernardino) serving as fiscal sponsors for the RPs.

PEI Statewide Project expenditures must be reported as follows: Counties that delegated their funds to CalMHSA under option 1 of Information Notice: 10-06 should report expenditures incurred by CalMHSA. This information is provided to counties by CalMHSA on an annual basis. Counties that opted for a multi-county collaborative under option 2 of Information Notice: 10-06 should report expenditures when incurred.

**E. Identification of Unspent Funds Worksheet (Enclosure 3)**

This worksheet is used to provide the following information:

- MHS A unspent funds available from prior fiscal years;
- Funds posted to the Local MHS Fund during FY 2011-12;
- Summary of Sources of Funds;
- Transfers from CSS into local prudent reserve, WET, or CFTN;
- MHS A funds reverted from prior fiscal years;
- Unspent MHS A funds as of June 30, 2012; and,
- Local Prudent Reserve balance.

**MHS A Unspent Funds Available from Prior Fiscal Years**

This section provides the total amount of unspent funds available from prior fiscal years. Depending on the component or type of funding, counties may have unspent funds from FY 2006-07 through FY 2010-11. These amounts should total the amount of unspent funds previously reported on the FY 2010-11 RER (Identification of Unspent Funds worksheet, Total MHS A Unspent Funds line).

Counties must identify from which fiscal year the unspent funds are attributed. Counties that previously transferred CSS funds to WET or CFTN should reflect those funds in the year that the transfer occurred.

A shaded box indicates that no funding was available for the component during the year.

**Local Prudent Reserve**

Counties must report the balance of the Local Prudent Reserve, as of June 30, 2011.

**Funds Posted to the Local MHS Fund during FY 2011-12**

This section provides the total amount of funds posted to the local MHS fund during FY

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2011-12. For purposes of reporting on the RER, revenues should be recognized in the accounting period in which they become available and measurable. (Accounting Standards and Procedures for Counties, State Controller's Office, May 2003)

For each component, counties must provide: a) the amount of funds transferred from the local prudent reserve; b) the amount of funds received from the State MHS Fund, according to the fiscal year that the funds were attributed (including PEI Statewide Project funds delegated by the County to CalMHSa that were not deposited into the Local MHS Fund); and, c) the amount of interest income posted to the local MHS fund.

Counties that accessed their local prudent reserve during FY 2011-12 must reflect the funds transferred into CSS or PEI as a positive amount. The transfer of funds out of the local prudent reserve must be reflected as a negative amount. These amounts must equal zero when added together.

#### **MHSa FY 2011-12 Source of Funds**

This section identifies all the sources and amounts of funds used to pay for the total (gross) program expenditures. The county must report all fund sources used to pay program expenditures including any MHSa funds, Federal Financial Participation (FFP) funds, 1991 Realignment funds, Behavioral Health Subaccount funds, or Other funds. The total of all sources of funds for each component must equal the total (gross) program expenditures reported on the Component Summary Worksheets.

Counties must identify the actual amount and fiscal year of MHSa funds used to pay for the program expenditures. A shaded box indicates that no funding was available for the component during that year.

The FFP amount represents the estimated Medi-Cal Federal Financial Participation used to pay for program expenditures.

The 1991 Realignment amount represents the estimated 1991 Realignment used to pay for program expenditures.

Behavioral Health Subaccount amount represents the estimated amount of funding from the Behavioral Health Subaccount used to pay for program expenditures.

Other Funding represents the estimated total amount of any other funds used to pay for program expenditures, which could include, but is not limited to, County General Fund, grants, patient fees, insurance, and/or Medicare.

#### **Transfers from CSS in FY 2011-12**

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WIC Section 5892(b) permits a County to use up to 20 percent of the average amount of funds allocated to that county for the previous five years to fund technological needs and capital facilities, human resource needs, and a prudent reserve.

Counties must report any transfers from CSS to the Local Prudent Reserve, WET, or CFTN that occurred between July 1, 2011 and June 30, 2012. The amount of funds transferred from CSS should be reported in the CSS column as a negative amount. The funds transferred into WET, CFTN, or Prudent Reserve should be reflected as a positive amount. The amount transferred from CSS should equal zero when added to the funds transferred into WET, CFTN, or Prudent Reserve.

PEI funds may not be transferred into the Local Prudent Reserve. Counties were only allowed to transfer FY 2007-08 PEI funds into the Local Prudent Reserve during FY 2009-10.

### **MHS Funds Reverted**

WIC Section 5892(h) provides that other than funds placed in a reserve in accordance with an approved plan, any funds allocated to a county which have not been spent for their authorized purpose within three years shall revert to the state to be deposited into the fund and available for other counties in future years, provided however, that funds for capital facilities, technological needs, or education and training may be retained for up to 10 years before reverting to the fund.

The amount of CSS, PEI, INN, TTACB, or PEI Statewide Project funds that reverted on June 30, 2012, auto populates. The amount of MHS A funds reverted is calculated as follows:

- CSS: MHS A Unspent Funds from prior fiscal years plus funds received from the State MHS Fund less MHS A funds used to pay for expenditures less transfers to prudent reserve. This amount may change when calculating reversion per Information Notice 11-15.
- PEI: MHS A Unspent Funds from prior fiscal years plus funds received from the State MHS Fund less MHS A funds used to pay for expenditures. This amount may change when calculating reversion per Information Notice 11-15.
- INN: MHS A Unspent Funds from prior fiscal years plus funds received from the State MHS Fund less MHS A funds used to pay for expenditures. This amount may change when calculating reversion per Information Notice 11-15.
- TTACB: MHS A Unspent Funds from prior fiscal years plus funds received from the State MHS Fund less MHS A funds used to pay for expenditures.

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- PEI Statewide Project Funds: MHS A Unspent Funds from prior fiscal years plus funds received from the State MHS Fund less MHS A funds used to pay for expenditures.

PEI Statewide Project Funds assigned to CalMHS A are not subject to reversion. Counties must mark yes or no when asked if PEI Statewide Project funds have been assigned to CalMHS A (top of Identification of Unspent Funds worksheet). This information will determine whether reversion is calculated on PEI Statewide Project funds.

**Total MHS A Unspent Funds**

The Total MHS A Unspent Funds line auto populates. Total available funding (the sum of MHS A unspent funds from prior years and funds posted to the local MHS A fund), less fiscal year expenditures, transfers from CSS, and MHS A funds reverted represents total MHS A unspent funds.