

**Annual MHSA Revenue and Expenditure Report
Fiscal Year 2015-16
INSTRUCTIONS**

A. Background

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

B. Purpose

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 intends 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 facilities and technological 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 RER is true and correct.

D. MHSA Component Expenditures Worksheets (Enclosure 3)

These worksheets are used to report 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 (SCO), May 2013).

Counties must report any expenditure that occurred between **July 1, 2015, and June 30, 2016**, on the appropriate component worksheet.

Counties should reflect total (gross) program expenditures for each MHSA program on the MHSA Component Expenditure Worksheets.

For Community Services and Support, Prevention and Early Intervention, and Innovation components, counties must place a checkmark to delineate the target population (child (C), transition-aged youth (TAY), adult (A), older adult (OA)) served by each program or project. If a program or project serves multiple populations, counties must mark all populations that apply.

Community Services and Support (CSS) Summary

Counties must report total (gross) program expenditures for each Full Service Partnership (FSP) program and non-FSP program, including General System Development and Outreach and Engagement. For any CSS program that serves both FSP and non-FSP clients, counties should report the program name and expenditures attributed to FSP clients in the FSP section; program name and expenditures attributed to non-FSP clients should be reported in the non-FSP section. CSS evaluation, CSS administration, and any funds assigned to the MHSA Housing Program must be reported as separate lines in the worksheet. Counties should indicate the target populations that are served by each program that is listed.

Prevention and Early Intervention (PEI) Summary

Counties must report total (gross) program expenditures for each PEI Prevention program, PEI Early Intervention program, and other program. Counties must also report expenditures made for evaluation, administration, and transfers to CalMHSA or other JPA as separate lines in the worksheet. Counties should indicate the target populations that are served by each program that is listed.

1. Prevention programs - direct service programs that intend outcomes for individuals who are at greater than average risk for mental illness/emotional disturbance.
2. Early intervention programs - direct service programs that intend outcomes for individuals showing early onset of mental illness/emotional disturbance.
3. Other PEI programs - Programs that are not included above (i.e., that do not have a direct service component); these include stand-alone programs focused on the following:
 - Outreach for Increasing Recognition of Early Signs of Mental Illness Program
 - Access to Treatment Program for Individuals with a Serious Mental Illness
 - Program to Improve Timely Access to Services for Underserved Populations
 - Stigma and/or Discrimination Reduction Program
 - Suicide Prevention Program

- Transfer of PEI funds to Joint Powers Authority for State Level Projects – Counties should reflect the program name as “Transfer to JPA – SLP” and specify the JPA that received the funds.

Transfers made to a JPA for State Level Projects should not be reflected as PEI Statewide Project funds (Summary Worksheet, column H). Counties are responsible for maintaining records to reflect the transfer of funds to the JPA and evidence of expenditure by the JPA.

Counties are encouraged to review the PEI regulations contained in California Code of Regulations, Title 9, Division 1, Article 5, Section 3510.010 to determine future expenditure reporting requirements.

Innovation (INN) Summary

Counties must report program expenditures for each INN program. Total (gross) program expenditures for each INN program will auto-populate. Counties must also report total INN administration expenditures as a separate line in the worksheet. Counties should indicate the target populations that are served by each program that is listed.

Counties are encouraged to review the INN regulations contained in California Code of Regulations, Title 9, Division 1, Article 5, Section 3510.020 to determine future expenditure reporting requirements.

Workforce Education and Training (WET) Summary

Counties must enter the total (gross) program expenditures for each WET funding category, WET administration, WET Evaluation (if applicable), and WET Total Expenditure 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, capital facility evaluation (if applicable), technological needs project, technological needs administration, and technological needs evaluation (if applicable) as separate lines in the worksheet.

Other MHSF Funds Summary

Counties must report total (gross) expenditures for PEI Training, Technical Assistance and Capacity Building, WET Regional Partnerships (RP), and PEI Statewide Projects (SWP) as separate lines in the worksheet.

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.

For PEI SWP, this section only applies to funds that were made available to counties during FY 2008-09 through FY 2011-12 for use consistent with DMH Information Notice 10-06. Counties should report PEI SWP expenditures based upon the option chosen under DMH Information Notice 10-06. 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.

Unencumbered Housing Funds Summary

MHSA Unencumbered Housing Funds should only be reported by counties that received the funds from the California Housing Finance Agency (CalHFA) during FY 2015-16. Counties must report total (gross) expenditures for Unencumbered Housing Funds in the worksheet.

RER Summary Worksheet (Enclosure 3)

This worksheet is used to report the following information:

1. Unspent funds available from prior fiscal years;
2. MHSA funds revenue for FY 2015-16;
3. Expenditure and funding sources in FY 2015-16;
4. Transfers to prudent reserve, WET, or CFTN;
5. Adjustments
6. Unspent funds in the Local MHS fund as of June 30, 2016;

Counties must also mark yes or no when asked if PEI Statewide Project funds have been assigned to CalMHSA (top of RER summary worksheet).

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 2007-08 through FY 2014-15. These amounts should match the amount of unspent funds previously reported in the FY 2014-15 RER (Identification of Unspent Funds worksheet, Unspent Funds in the Local MHS Fund section).

Counties must report the balance of the local prudent reserve. This amount should

match the Local Prudent Reserve Balance previously reported in the FY 2014-15 RER (Identification of Unspent Funds worksheet, Unspent Funds in the Local MHS Fund section).

Counties must report the cumulative interest earned on the local Mental Health Services Fund, including the local prudent reserve. This information is to reported in column K, Interest.

MHSA Funds Revenue in FY 2015-16

Counties must report revenue received during FY 2015-16, from July 1, 2015, through June 30, 2016. The amount reported must tie to the State Controller's Reports for funds distributed during the same period. The amounts are available at: http://www.sco.ca.gov/ard_payments_mentalhealthservicefund.html.

For CSS, PEI, and INN components, counties must provide: a) the amount of funds transferred from the local prudent reserve, if applicable; b) the amount of funds received from the State MHS Fund; and, c) the amount of interest income posted to the local MHS fund.

For Unencumbered MHSA Housing Funds received during FY 2015-16, counties must provide the amount of funds received from CalHFA in Column I.

Counties that accessed their local prudent reserve during FY 2015-16 must reflect the funds transferred into the component as a **positive** amount. The transfer of funds out of the local prudent reserve must be reflected as a **negative** amount. These amounts equal zero when added together.

Expenditure and Funding Sources in FY 2015-16

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 for program expenditures including any MHSA funds, Interest, 1991 Realignment, Behavioral Health Subaccount and Other. 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. Counties must reflect interest used to pay for expenditures by component. The total amount of interest used will auto populate in the Interest column.

Other represents the total amount of any other funds used to pay for program expenditures, and may include, but is not limited to: County General Fund, Federal Financial Participation funds, grants, patient fees, private insurance, and/or Medicare.

Transfers to Prudent Reserve, WET, CFTN during FY 2015-16

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 to the Local Prudent Reserve, WET, or CFTN that occurred between July 1, 2015, and June 30, 2016. The funds transferred into WET, CFTN, or Prudent Reserve should be reflected as a **positive** amount. The total amount of funds transferred from CSS will auto populate in the CSS column as a **negative** amount. The amount transferred from CSS must equal zero when added to the funds transferred into WET, CFTN, or Prudent Reserve.

Adjustments

Counties may report adjustments, if applicable. Payments from the MHS Fund should be reflected in the Adjustments section as a negative amount. Receipts into the MHS Fund should be reflected in the Adjustments section as a positive amount. The adjustment amount entered into the RER Summary worksheet must equal the adjustment amount reflected in the Adjustments worksheet, and must be entered into the same fiscal year and component for which the adjustment is needed.

Adjustments may be made to the following FYs for each component:

CSS Component – FY 2009-10 to FY 2015-16

PEI Component – FY 2009-10 to FY 2015-16

INN Component – FY 2008-09 to FY 2015-16

WET Component – FY 2006-07 to FY 2015-16

CFTN Component – FY 2007-08 to FY 2015-16

Unspent MHS Funds in the Local MHS Fund

The Total Unspent MHS Funds in the Local MHS Fund auto populates. This amount is calculated based only on MHS funds and includes the sum of unspent MHS funds available from prior fiscal years and MHS funds posted to the local MHS fund, less fiscal year MHS expenditures, adjustments and transfers.

Interest is reported separately and includes unspent interest available in the MHS fund plus, interest earned during FY 2015-16, less interest used to pay for component expenditures and adjustments.

Prudent reserve is reported separately and includes the balance from prior years less any funds transferred to pay for services during FY 2015-16, plus any transfers from CSS to the local prudent reserve and adjustments.

Estimated FFP Revenue Generated in FY 2015-16 (Table B)

The FFP amount represents the *estimated* FFP revenue generated in FY 2015-16 and attributable to MHSA funds.

F. Adjustments Summary Worksheet (Enclosure 3)

Counties reporting adjustments on the RER Summary worksheet must use the Adjustments Summary worksheet to document the adjustments. For each adjustment made, counties must provide the following information: 1) component, 2) fiscal year the adjustment is attributed to, 3) amount of the adjustment, and 4) reason for adjustment. The total amount of adjustments must equal the total adjustments reflected in the RER Summary.