



C A L I F O R N I A   D E P A R T M E N T   O F  
**Mental Health**

1600 9th Street, Sacramento, CA 95814  
(916) 654-2309

October 16, 2006

DMH INFORMATION NOTICE NO.: 06-12

TO: LOCAL MENTAL HEALTH DIRECTORS  
LOCAL MENTAL HEALTH PROGRAM CHIEFS  
LOCAL MENTAL HEALTH ADMINISTRATORS  
COUNTY ADMINISTRATIVE OFFICERS  
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: LOCAL MENTAL HEALTH SERVICES FUND CASH FLOW  
STATEMENT PILOT PROGRAM

REFERENCE IMPLEMENTATION OF THE MHSA, WELFARE AND  
INSTITUTIONS CODE SECTION 5892

The purpose of this Department of Mental Health (DMH) Information Notice is to inform cities/counties that receive funding under the Mental Health Services Act (MHSA) of a voluntary pilot program to test a new fiscal form, **Local Mental Health Services Fund Cash Flow Statement**. A copy of the form is enclosed (Enclosure 1). Those cities/counties choosing to participate in this pilot will immediately begin using the enclosed Cash Flow Statement form instead of the previously issued cash balance quarterly report form provided in DMH Letter No. 05-05.

The Local Mental Health Services Fund Cash Flow Statement (Statement) has been designed to improve the monitoring of the city/county's available cash amount for ongoing MHSA operations in order to make adjustments to the MHSA funding distribution amounts from the DMH, if necessary. Please be advised that no adjustments will be made to the MHSA quarterly distributions during the pilot phase. Cities/counties that received DMH approval of their MHSA Community Services and Supports (CSS) Plan prior to July 1, 2006 may volunteer for the pilot program. DMH will provide technical assistance to the pilot cities/counties in preparing the Statement. DMH will use the information and experience gained through this pilot to make necessary improvements to the form and accompanying process before implementing it statewide.

During this pilot phase, the initial Statement will cover the period of January 1, 2005 through September 30, 2006. The deadline for the submission of the first Statement is November

DMH INFORMATION NOTICE NO.: 06-12

October 16, 2006

Page 2

30, 2006. Pilot counties will be able to use information from their initial statement to prepare their March 31, 2007 Statement which will cover October 1, 2006 through March 31, 2007.

The Mental Health Services Act Cash Balance Quarterly Report included in DMH Letter: 05-05 is no longer required. DMH intends to implement a Local Mental Health Services Fund Cash Flow Statement for all funded cities/counties no later than March 31, 2007. A notice will be sent to all counties informing them when the new statement will be required. The enclosed Statement may be revised as a result of the pilot phase, and, if so, the final version will be distributed to all counties. The cash balance information will typically be completed by all MHSA funded cities/counties twice a year for the following six month intervals:

- October 1 through March 31
- April 1 through September 30

The initial Statement is expected to cover the inception of MHSA funding through March 31, 2007.

If you have any questions or would like to volunteer for the pilot program, please contact the DMH County Operations staff assigned to your county (Enclosure 2) by October 23, 2006. We appreciate your willingness to assist us in improving the MHSA reporting forms and system.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.  
Director

Enclosures