

REVENUE AND EXPENDITURE REPORT

**FISCAL LEADERSHIP INSTITUTE
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OVERVIEW

- Purpose for the RER
- Major Policy and Rule Changes
- Overview of Forms and Data Requirements
- Timelines
- County Questions

PURPOSE FOR THE RER

- Welfare and Institutions Code, Section 5899(c)
 - Identify expenditure of MHSA funds
 - Quantify the amount of additional funds generated for the mental health system
 - Identify unexpended funds, and interest earned on MHSA funds
 - Determine Reversion amounts

MAJOR POLICY/RULE CHANGES

- Consequence for late RERs
 - Welfare and Institutions Code, Section 5899 (e)
 - MHSUDS Information Notice 18-033
 - Policy is applied retroactively
- Reporting Expenditures on Veterans
 - Welfare and Institutions Code, Section 5899 (f)
 - MHSUDS Information Notice 18-045
 - Policy will apply to the Fiscal Year 2018-19 RER.

OVERVIEW OF FORMS

- Information Tab
- CSS Tab
- PEI Tab
- INN Tab
- CFTN Tab
- WET/RP/HP Tab
- Adjustments (MHSA) Tab
- Adjustments (FFP) Tab
- Component Summary Tab
- Comments Tab

OVERVIEW OF DATA REQUIREMENTS

- MHSA Expenditures – CSS, PEI, CF, TN,
 - Total direct costs for each component and program
 - Total administrative costs for each component
 - Total evaluation costs for each component
 - Total planning costs for each component
- MHSA Expenditures – INN
 - Total direct costs, administrative costs, and evaluation costs for each INN program
 - Total indirect administrative costs and planning costs for the INN component.

TIMELINES

- Revenue and expenditure report template
 - 2018-19 template and instructions are standardized.
- Revenue and expenditure report due date
 - December 31st, CCR, Section 3510.
- Late RER Notices
 - Beginning January 2nd
 - Counties have 30 days to submit a complete and accurate RER.
- Late RER Withholds
 - Beginning with February distribution
 - Continues until county submits a complete and accurate RER.

TIMELINES (CONTINUED)

- Reversion
 - 30 to 60 days after the RER is complete and accurate.
- Audit
 - Currently conducted along with the Medi-Cal audit.
 - Any adjustments to the RER as a result of the audit may result in a recalculation of reversion.

COUNTY QUESTIONS

- Administrative Costs
- Reporting costs incurred by a JPA
- Reporting Assembly Bill (AB) 114 funds
- Amending RERs
- Reconciling the RER with the Local Mental Health Services Fund (Fund Balance or Cash Balance).

ADMINISTRATIVE COSTS

- Administrative costs should be reported on both the RER and the Mental Health Cost Report.
- Report administrative costs allocated to each MHSA component on the RER. These administrative costs are not limited.
- Report administrative costs incurred to implement all mental health programs, including MHSA programs, on the cost report.

REPORTING COSTS INCURRED BY A JPA

- Some counties may transfer money from the Local Mental Health Services Fund to a JPA, like CalMHSA.
- Funds transferred to a JPA have not been spent until the JPA incurs a cost.
- Counties will need to obtain expenditure information from the JPA to accurately report expenditures.

REPORTING AB 114 FUNDS

- AB 114 deemed all funds subject to reversion as of July 1, 2018 reverted and reallocated to the county of origin for its original purpose.
- These funds will be treated separately from funds distributed in Fiscal Year 2017-18, because counties are subject to different requirements.
- However, Counties do not need to report expenditure of these funds separately.

REPORTING AB 114 FUNDS (CONTINUED)

- Counties must submit a plan to the MHSOAC by July 1, 2018 to spend AB 114 funds.
- A county must remit AB 114 funds to the state if it does not submit a plan to the MHSOAC by January 1, 2019.
- A county must spend AB 114 funds by July 1, 2020 to avoid reversion.
- DHCS will calculate reversion on a first in first out basis pursuant to the methodology described in MHSUDS IN 18-033.

AMENDING RERS

- Counties may need to change the amount of MHSA funds expended in a prior year after submitting an RER.
- The RER contains two adjustment tabs that will allow counties to amend the amount of MHSA funds expended in a prior year.
- DHCS will recalculate reversion after a county adjusts the amount of MHSA expenditures in a prior year.

RECONCILING THE RER WITH THE LMHSF

- The RER no longer captures revenue and no longer calculates unspent funds.
- The MHSA expenditures reported in the RER should tie to expenditures and/or transfers out recorded in the LMHSF.
- The MHSA interest reported in the RER should tie to the interest revenue posted to the LMSF.

OTHER QUESTIONS?