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?