



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

December 28, 2009

DMH INFORMATION NOTICE NO.: 09-22

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

SUBJECT: IMPLEMENTATION OF THE ANNUAL MENTAL HEALTH SERVICES
ACT (MHSA) REVENUE AND EXPENDITURE REPORT FOR FISCAL
YEAR 2008-09

REFERENCE: IMPLEMENTATION OF THE MHSA, WELFARE AND INSTITUTIONS
CODE SECTION 5847 AND TITLE 9, CALIFORNIA CODE OF
REGULATIONS SECTION 3510.

The purpose of this Department of Mental Health (DMH) Information Notice is to inform Counties¹ that receive funding under the Mental Health Services Act (MHSA) of the Annual MHSA Revenue and Expenditure Report (Revenue and Expenditure Report) requirements for Fiscal Year (FY) 2008-09. A copy of the Revenue and Expenditure Report worksheets and instructions are enclosed (Enclosures 1 through 8).

Pursuant to Title 9, California Code of Regulations (CCR) Section 3510, each county is required to submit the Revenue and Expenditure Report to DMH no later than December 31 following the end of the fiscal year. However, due to the timing of the release of the forms and instructions for the Revenue and Expenditure Report, DMH will accept Reports for fiscal year 2008-09 until February 28, 2010. DMH may withhold future MHSA distributions to Counties that do not submit their Revenue and Expenditure Report by this date.

The Revenue and Expenditure Report should be submitted electronically using the Excel template (do not submit a PDF document) to DMH at mhsa@dmh.ca.gov and include the subject line "(County name) FY 08-09 MHSA Rev and Exp Report." Those Excel forms that are modified by a County will not be accepted and will be sent back to the County for proper submission format.

¹ "County" means the County Mental Health Department, two or more County Mental Health Departments acting jointly, and/or city-operated programs receiving funds per Welfare and Institution Code section 5701.5 (Cal. Code Regs., tit. 9, § 3200.090).

A hard copy of the Revenue and Expenditure Report should also be sent to the following address:

**California Department of Mental Health
Attn: FY 08-09 MHSA Rev and Exp Report
MHSA Plan Review Section
1600 9th Street, Room 150
Sacramento, CA 95814**

Please be advised that DMH intends to audit the Revenue and Expenditure Report in conjunction with the Short-Doyle/Medi-Cal (SD/MC) audit. Accordingly, Counties will need to maintain all accounting and management information system reports used to substantiate what was reported in the Revenue and Expenditure Report for future audit purposes.

If you have any questions regarding the Revenue and Expenditure Report, please contact your County Technical Assistance representative identified on the following DMH website:
http://www.dmh.ca.gov/Services_and_Programs/Local_Program_Support/County_Technical_Assistance.asp.

Sincerely,

Original Signed by

STEPHEN W. MAYBERG, Ph.D.
Director

Enclosures (8)

cc: California Mental Health Planning Council
California Mental Health Directors Association
Mental Health Services Oversight and Accountability Commission
Deputy Director, Community Services Division

**Mental Health Services Act (MHSA)
Annual Revenue and Expenditure Report FY 2008-09
Instructions**

Introduction

The purpose of the Annual MHSA Revenue and Expenditure Report (Revenue and Expenditure Report) for Fiscal Year (FY) 2008-09 is to (1) identify the expenditure of MHSA funds distributed to each County, (2) quantify the amount of additional funds generated for the mental health system as a result of the MHSA, (3) determine the cost per client for Full Service Partnership (FSP) clients, (4) determine reversion amounts (if applicable) from prior fiscal year distributions, and (5) identify expenditures for planning activities. These instructions are intended to provide guidance to Counties on how to complete the Revenue and Expenditure Report worksheets.

Instructions

Counties should complete a separate worksheet for each CSS, WET, CF, TN, PEI, and INN program/project that was operating in FY 2008-09 and identify each program/project by the title in the approved Three-Year Program and Expenditure Plan.

The first column (column A) represents total mental health expenditures of the program in FY 2008-09. This includes expenditures made with MHSA funds as well as all other expenditures associated with the program/project. The remaining nine columns (columns B through J) represent the funding sources for the expenditures in column A. Counties should enter relevant funding sources in columns B through J and the worksheet will automatically sum the funding sources in column A.

Counties should maintain documentation as to the approach used for allocating expenditures to activities. The documentation should include brief notes on why the expenditure was allocated to the activity and any special allocations across multiple activities. Counties should follow the same approach each year unless more accurate information is available. Counties should maintain all accounting and management information system reports used to substantiate what was reported in the Revenue and Expenditure in order to provide an audit trail.

Counties should use data to be reported in the County's FY 2008-09 SD/MC cost report to estimate expenditures associated with the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program and the corresponding State General Fund (SGF) and Medi-Cal Federal Financial Participation (FFP) revenues. Instructions for each Enclosure are provided in the remainder of this document in the recommended order for completing the Enclosures. On all worksheets the cells that contain zeros will auto-populate. Counties should use the modified accrual basis of accounting when reporting expenditures (i.e., report revenues based on when they become both measurable and available to finance expenditures of the current period and report expenditures when incurred regardless of when payment is made).

Enclosure 2 - Community Services and Supports Programs

CSS Programs: Identifies FY 2008-09 MHSA expenditures by service category for each individual CSS program (one worksheet for each program; 40 programs max.). These worksheets identify revenues and expenditures for each CSS program implemented by the County. Expenditures and revenues are identified by the following three service categories:

1. Full Service Partnership (FSP) – Activities related to providing the full spectrum of services and supports to clients enrolled in an FSP.
2. General System Development (GSD) – Activities related to improving the County's mental

**Mental Health Services Act (MHSA)
Annual Revenue and Expenditure Report FY 2008-09
Instructions**

health service delivery system for all clients are GSD funds. Activities may or may not be provided to clients enrolled in an FSP.

3. Outreach and Engagement (O&E) – Activities related to reaching populations that are unserved or underserved.

Revenues and expenditures are identified by type of entity performing the activity (County and/or contract provider) and by type of expenditure as described below. Include the total mental health cost of each program (MHSA and other funding sources).

1. Personnel – Salaries and benefits of employees in each program. This includes client, family member and caregiver employees.
2. Operating – All operating costs such as travel and transportation, general office expenditures, rent, utilities, equipment, medication and medication supports.
3. GSD Housing – Costs incurred for housing that is leased or purchased by the County for the purpose of providing GSD housing.
4. Other – All other costs of the program, including professional services, translation services, and subcontracts, etc. as well as all client support expenditures.

CSS Program Summary: This worksheet summarizes FY 2008-09 revenues and expenditures by service category and type of expenditure for each CSS program reported by the County on each CSS Program worksheet. Counties do not need to enter information on this worksheet as the information is summarized electronically from the individual CSS program worksheets.

CSS Summary: This worksheet summarizes FY 2008-09 expenditures for each CSS program reported by the County on each CSS Program worksheet as well as FY 2008-09 revenues and expenditures associated with CSS planning, evaluation and administration. Counties do not need to enter information on the top part of this worksheet as the information is summarized electronically from the individual CSS Program worksheets. Counties should enter any funds assigned to CalHFA for the MHSA Housing Program from FY 2008-09 on this worksheet. Additionally, counties should enter FY 2008-09 CSS planning, evaluation costs and administration costs by type of expenditure on the lower half of the worksheet. Counties should enter relevant funding sources in columns B through J and the worksheet will automatically sum the funding sources in column A.

Enclosure 3 - Workforce Education and Training Programs

WET Programs: This worksheet summarizes FY 2008-09 expenditures for each WET program reported by the County on each WET program worksheet as well as FY 2008-09 revenues and expenditures associated with WET planning, evaluation and administration. These worksheets identify FY 2008-09 MHSA revenues and expenditures for each WET program implemented by the County (one worksheet for each program; 25 programs max.). Revenues and expenditures are identified by type as described below:

1. Workforce Staffing Support – costs to plan for, administer, support, or evaluate the workforce programs and trainings in the remaining four categories.
2. Training and Technical Assistance – costs defined as events and activities in which individuals and/or organizations are paid with MHSA funds to assist all individuals who provide or support the Public Mental Health System in better delivering services consistent with the fundamental principles of the Act.
3. Mental Health Career Pathways Programs – costs associated with educational, training

**Mental Health Services Act (MHSA)
Annual Revenue and Expenditure Report FY 2008-09
Instructions**

and counseling programs that are designed to recruit and prepare individuals for entry into a career in the Public Mental Health System.

4. Residency and Internship Programs – costs for psychiatric residency programs, internship programs leading to licensure and physician assistant programs with a mental health specialty that are designed to address workforce shortages by supplementing existing programs in order to increase the number of licensed professionals within a program who will practice in the Public Mental Health System.
5. Financial Incentive Programs – costs for stipends, scholarships, and loan assumption programs that are financial incentives to recruit both prospective and current public employees who can address workforce shortages of critical skills and under-representation of racial/ethnic, cultural or linguistic groups in the workforce.

WET Summary: This worksheet summarizes FY 2008-09 expenditures for each WET program reported by the County on each WET program worksheet as well as FY 2008-09 revenues and expenditures associated with WET planning and administration. Counties do not need to enter information on the top part of this worksheet as the information is summarized electronically from the individual WET Program worksheets. Counties should enter FY 2008-09 WET planning and administration costs by type of expenditure on the lower half of the worksheet. Counties should enter relevant funding sources in columns B through J and the worksheet will automatically sum the funding sources in column A.

Enclosure 4 - Capital Facilities Projects

CF Projects: These worksheets identify FY 2008-09 MHSA revenues and expenditures for each CF project implemented by the County (one worksheet for each project; 5 projects max.). Revenues and expenditures are identified by type as described below.

1. Pre-development Costs – costs associated with pre-development.
2. Building/Land Acquisition – costs associated with acquiring a building(s) or land.
3. Renovation – costs associated with renovating a building(s).
4. Construction – costs associated with constructing a building(s).
5. Repair/Replacement Reserve – costs associated with developing a repair/replacement reserve.
6. Other – all other costs associated with the project.

CF Summary: This worksheet summarizes FY 2008-09 MHSA revenues and expenditures by expenditure type for CF projects as well as FY 2008-09 revenues and expenditures associated with CF administration. Counties do not need to enter information on the top part of this worksheet as the information is summarized electronically from the individual CF Project worksheets. Counties should enter FY 2008-09 CF administration costs by type of expenditure on the lower half of the worksheet. Counties should enter relevant funding sources in columns B through J and the worksheet will automatically sum the funding sources in column A.

Enclosure 5 - Technological Needs Projects

TN Projects: These worksheets summarize FY 2008-09 MHSA revenues and expenditures for each TN project implemented by the County (one worksheet for each program; 15 projects max.). Revenues and expenditures are identified by type as described below.

1. Personnel – salaries and benefits of employees in each project.

**Mental Health Services Act (MHSA)
Annual Revenue and Expenditure Report FY 2008-09
Instructions**

2. Hardware – costs associated with purchasing hardware.
3. Software – costs associated with purchasing software.
4. Contract Services – costs associated with contract services such as professional services.
5. Other – all other costs associated with the project.

TN Summary: This worksheet summarizes FY 2008-09 MHSA revenues and expenditures by expenditure type for TN projects as well as FY 2008-09 revenues and expenditures associated with TN administration. Counties do not need to enter information on the top part of this worksheet as the information is summarized electronically from the individual TN Project worksheets. Counties should enter FY 2008-09 TN administration costs by type of expenditure on the lower half of the worksheet. Counties should enter relevant funding sources in columns B through J and the worksheet will automatically sum the funding sources in column A.

Enclosure 6 - Prevention and Early Intervention Projects

PEI Projects: These worksheets identify FY 2008-09 MHSA revenues and expenditures by activity for each PEI project implemented by the County (one worksheet for each project; 25 projects max.). Revenues and expenditures are identified by type of entity performing the activity (County and/or contract provider) and by type of expenditure (personnel or other) as described below. Include the total mental health cost of each project (MHSA and other funding sources).

1. Personnel – Salaries and benefits of employees in each project.
2. Operating – All operating costs such as travel and transportation, general office expenditures, rent, utilities, and equipment.
3. Other – All other costs of the project, including professional services, translation services, subcontracts client support expenditures, etc.

PEI Project Summary: This worksheet summarizes revenues and expenditures by activity for each PEI project reported by the County on each PEI project worksheet. Counties do not need to enter information on this worksheet as the information is summarized electronically from the individual PEI project worksheets.

PEI Summary: This worksheet summarizes revenues and expenditures for each PEI project reported by the County on each PEI project worksheet as well as FY 2008-09 revenues and expenditures associated with PEI planning, evaluation and administration. Counties do not need to enter information on the top part of this worksheet as the information is summarized electronically from the individual PEI project worksheets. Counties should enter FY 2008-09 PEI planning, evaluation costs and administration costs by type of expenditure on the lower half of the worksheet. Counties should enter relevant funding sources in columns B through J and the worksheet will automatically sum the funding sources in column A.

Enclosure 7 - Innovation Summary

Innovation Summary: This worksheet summarizes revenues and expenditures by expenditure type (planning) for FY 2008-09 Innovation activities. Counties should enter relevant funding sources in columns B through J and data will automatically sum the funding sources in column A.

**Mental Health Services Act (MHSA)
Annual Revenue and Expenditure Report FY 2008-09
Instructions**

Enclosure 8 - County Summary and Unspent Funds

County Summary: This worksheet summarizes total mental health revenues and expenditures by component for FY 2008-09. Enter amounts separately for each MHSA component on the top half of the worksheet.

Identification of Unspent Funds: This worksheet is used to determine the amount of MHSA funds distributed to a County that have not been spent. Do not enter data in the shaded cells. Enter amounts separately for each MHSA component and only enter MHSA funds.

Enter the amount of unspent funds from prior fiscal years in the first section. In general, the amount of unspent funds for each component should equal the amount reported as unspent funds on the bottom row of the FY 2007-08 MHSA Revenue and Expenditure Report Identification of Unspent Funds worksheet unless the County modified the FY 2007-08 MHSA Revenue and Expenditure Report following submittal of the Report to DMH. Counties that have modified their FY 2007-08 MHSA Revenue and Expenditure Reports should maintain supporting documentation for the modifications and do not need to submit a revised FY 2007-08 MHSA Revenue and Expenditure Report to DMH.

Enter distributions from DMH and interest earned on the local MHS fund balance in the second section. Counties should try to identify interest specific to each component or use a reasonable approach to allocate interest to each component. Do not include distributions from DMH that are for FY 2009-10.

MHSA FY 2008-09 expenditures are summarized electronically from the County Summary worksheet for each component. If applicable, enter an amount approved for the local Prudent Reserve in FY 2008-09. Do not enter amounts not yet approved for the Prudent Reserve and/or requested in FY 2009-10.

Enter MHSA funds subject to reversion. In accordance with Welfare and Institutions Code Section 5892(h), any funds allocated to a County that have not been spent for their authorized purpose within three years revert back to the State MHS Fund, except for funds allocated for the WET and Capital Facilities and Technological Needs components, which do not revert for ten years. Thus, the FY 2007-08 CSS funds distributed to the County that have not been spent as of June 30, 2010 will revert to the State MHS Fund with the exception of funds distributed via the 07-21 DMH Information Notice, which will revert June 30, 2010.

Total available funding (i.e., the sum of unspent funds from prior fiscal years and FY 2008-09 deposits), less FY 2008-09 expenditures, contributions to the local Prudent Reserve, and funds subject to reversion, represents total MHSA unspent funds. Counties are required to provide a description as to the proposed expenditure of these unspent funds as part of the FY 2010-11 annual update to the Three-Year Program and Expenditure Plan, in accordance with WIC Section 5847(d).