

PLUMAS COUNTY BEHAVIORAL HEALTH

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Plumas County MHSA Reversion Plan Assembly Bill (AB) 114 - Draft

AB 114 became effective July 10, 2017. The bill amended certain Welfare and Institution Code (WIC) Sections related to the reversion of MHSA funds.

AB 114 implemented provisions concerning funds subject to reversion as of July 1, 2017. Funds subject to reversion as of July 1, 2017, are deemed to have been reverted and reallocated to the county of origin for the purposes for which they were originally allocated (WIC Section 5892.1(a)). Funds that could be subject to reversion as of July 1, 2017, were distributed to counties from Fiscal Year (FY) 2005/2006 through FY 2014-15. By July 1, 2018, counties are required to have a plan to spend those funds by July 1, 2020 (WIC Section 5892.1(c)).

Every county must develop a plan to spend its reallocated funds and post it to the county's website. The county must submit a link to the plan to DHCS (Department of Health Care Services) by July 1, 2018. Each county's Board of Supervisors (BOS) must adopt a final plan within 90 days of the county posting the plan to the county's website. Each county must submit its final plan to DHCS and the MHSOAC (Mental health Services Oversight and Accountability Commission) within 30 days of adoption by the county's BOS. A county may not spend funds that are deemed reverted and reallocated to the county until the county's BOS has adopted a plan to spend those funds.

In addition, each county must comply with the following:

- The expenditure plan must account for the total amount of reverted and reallocated funds for all impacted FYs
- The county must include the plan in the County's Three-Year program and Expenditure Plan or Annual Update, or as a separate update to the County's Three-Year Program and Expenditure Plan, and comply with WIC Section 5847 (a);
- Reallocated funds must be expended on the component for which they were originally allocated to the county;
- If reallocated funds were originally allocated to the INN component, the funds are subject to the requirements of California Code of Regulations, Article 9, sections 3900-3935;
- The county must follow the stakeholder process identified in WIC Section 5848 when determining the use of reallocated funds; and
- The county must report expenditures of reallocated funds, by component, on its Annual MHSA Revenue and Expenditure Report.

A county may expend reallocated funds for an already approved program/project or use the reallocated funds to expand an already approved program/project provided the program/project

is the same component as the component for which the funds were originally allocated to the county, which must be in compliance with applicable MHSA statutes and regulations.

If a county fails to prepare a plan and submit a link to the plan by the required deadlines, the county will be substantially out of compliance with the MHSA. Per WIC Section 5899(e), DHCS will work with the SCO (State Controller's Office) to develop a process to withhold 25% of the county's monthly allocations from the MHF (Mental Health Fund) until the county submits a link to the plan.

Plumas County AB 114 MHSA Funds Subject to Reversion by Fiscal Year by Component

Plumas County	CSS	PEI	INN	Housing Program	Total
FY 2005-06	--				--
FY 2006-07	--				--
FY 2007-08	--	\$39,861			\$39,861
FY 2008-09	--	\$71,345	\$98,000		\$169,345
FY 2009-10	\$80,512	\$108,663	\$98,000	\$251,200	\$538,375
FY 2010-11	\$757,303	\$59,891	\$171,095		\$988,289
FY 2011-12	\$699,856	\$5,531	\$71,272		\$776,659
FY 2012-13	--	\$29,090	--		\$29,090
FY 2013-14					
FY 2014-15					
Total	\$1,537,671	\$314,381	\$438,367	\$251,200	\$2,541,619

	No Funds Allocated
	No Funds Subject to Reversion
	Annual Revenue and Expenditure Report Data Not Complete

Plumas County's financial accounting system does not have measures in place to differentiate between components within fund cash balance for CSS and PEI, nor does it allow setting aside identified reverted MHSA funds in a separate cash account. However, there are separate cash fund accounts for INN, Prudent Reserve, and MHSA cash interest.

Because of this arrangement, Plumas County Behavioral Health's MSHA and fiscal staff rely on MSHA and Behavioral Health cost reporting for actual revenue and expenditures and fund balance planning estimates. For at least the past four years, the department's cost reporting has been completed by an outside consultant, and there have been substantial lags in completion of the annual MSHA Revenue and Expenditure Reports (RER). For example, Plumas County's FY16-17 RER was due on by DHCS no later than December 31, 2017, and the report is not yet completed nor submitted.

Developing a reversion plan and ongoing program and fiscal planning has been made more difficult by these factors. Additionally, Plumas County MSHA is currently undergoing a program

and fiscal audit by DHCS. The forthcoming Findings and Recommendations report (expected mid-July 2018) will determine FY18-19 and FY19-20 programming and budget changes; for example, Plumas County MHSA is expecting audit results that will require moving programs which have been funded in the CSS component to the PEI component. Doing so will create a funding deficit for existing programs in PEI, because funding levels for PEI are 20% compared to CSS funding at 80% of the gross allocation. The department will work with county stakeholders to set new priorities for PEI funding and will amend the MHSA Program and Expenditure Plan, 2017-20 through the Annual Update to reflect these revisions (due to DHCS by December 31, 2018).

Plumas County's Plan to spend reallocated funds includes:

- 1) *CSS (Community Services and Supports)* – Any reallocated funds from past years will be utilized on existing CSS programs that are in Plumas County's current, approved MHSA Program and Expenditure Plan, 2017-20. The reallocated funds will be the first funds spent, and most of these dollars will be utilized during FY18-19 (based on assumption of budget shortfalls and adjustments due to lags in completed Revenue and Expenditure reporting, as well as lack of transparency within the County's accounting system concerning component funds that cannot be identified as either CSS or PEI).
- 2) *PEI (Prevention and Early Intervention)* – Any reallocated funds from past years will be utilized on existing PEI programs that are in Plumas County's current, approved MHSA Program and Expenditure Plan, 2017-20.
- 3) *INN (Innovation)* – Any reallocated funds from past years will be utilized on a future Innovation Project that is approved by the MHSOAC. Plumas County's previous Innovation Project program, entitled, "A School-Based Response Team" transitioned on May 1, 2018 to the Prevention and Early Intervention (PEI) component. Plumas County will plan and submit a proposed Innovation Project for MHSOAC consideration and approval prior to June 30, 2020. A future program plan will be proposed in a subsequent Plan Update or the Annual Update. Any future approved INN Plan will utilize the Innovation reallocated funds.
- 4) *MHSA Housing Program* – In December 2008, Plumas County Mental Health requested to California Department of Mental Health an MHSA Housing Program "opt out," removing Plumas County from the obligation to submit a housing application and assign funds to the California Housing Finance Agency (CalHFA). Instead, the department requested permission to use the allocated funds in the amount of \$251,200 for CSS funding of Full-Service Partnership one-time housing support, as part of the Plumas County MHSA CSS work plan for FY 2009-10. These MHSA Housing Program monies were not expended in FY09-10 and remain in fund cash balance in a separate line item. Plumas County MHSA program will use these monies in FY18-19 for Full-Service Partnership housing supports, including rental subsidies and move-in assistance.

For all MSHA components, reallocated funds will be the first funds spent and will be expended prior to June 30, 2020.

This reversion plan will be provided to county stakeholders through the MHSA Community Planning Process and the Local Review Process. Plumas County MHSA will advertise the reversion plan document on its county website, through stakeholder noticing via e-mail, 20,000 Lives newsletters, posting notice flyers, newspaper advertising, through the County Behavioral Health Commission, and through agency partnerships. Additionally, a notice for public comment and a public hearing date will be set within the 90-day approval window, to allow for stakeholder feedback and local Board of Supervisors approval of the Plan Update. The final, approved MHSA Program and Expenditure Plan Update will be submitted to DHCS and MHSOAC no later than September 30, 2018.