MHSA Audit Overview & CSS Balance

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Statewide MHSA Audit

- Requested by the Joint Legislative Audit Committee
- Completed by CA State Auditor
- Focused on:
  - DHCS’ and MHSOAC’s oversight of MHSA funding
  - Alameda, Riverside, SD counties’ monitoring of MHSA projects
Statewide Audit Findings

- DHCS has not provided effective direction to local mental health agencies on how to spend MHSA funds
  - Enforce reversion
  - Provide guidance on how counties handle interest and how much to hold in reserves
- DHCS inadequately oversees MHSA funds
  - Enforce RER deadlines
  - Audits focus on outdated data/processes

Statewide Audit Findings con’t

- MHSOAC should:
  - develop guidance on the Innovation program approval process
  - complete an internal process for reviewing reports to ensure data is reliable and timely
  - develop metrics to evaluate the outcome of the triage grants on a statewide level
County Impact of State Audit

- No major findings for three counties in the State Audit
- No fiscal impact – no MHSA funds returned/received by the three participating counties as a result of the audit

OC Impact of State Audit

- OC only mentioned in Appendix
- Had 2nd largest unspent balance
- OC receives the 2nd largest MHSA allocation:
  - LA: 28.56%
  - OC: 8.255%
  - SD: 8.17%
MHSA Fund Balances in Audit (from posted FY 2015-16 Plans)

Reverted MHSA Funds

- AB 114 addresses the fact that 57 of 59 local MH agencies reverted MHSA funds received through FY 2013-14
  - Information on FY 2014-15 not available
OC Reverted Funds

- OC has not reverted any CSS funds
- OC has not reverted any PEI funds received after FY 2010-11
- OC has not reverted INN funds received after FY 2014-15
  - None reverted in FYs 2011-12 through 2013-14
  - Per AB 114, DHCS recently clarified that initial CFTN allocation funds not spent by FY 2016-17 are reverted

OC Plans for AB 114 Funds

- Approved by Steering Committee and posted in FY 2018-19 MHSA Plan Update:
  - PEI: Spend on existing PEI programs in FY 2018-19
  - INN: Spend on existing and new, if any, projects (through FY 2019-20)
  - Reverted funds identified in AB 114 are included in current fund balances and are NOT additional funds
  - PEI and INN subcommittees will begin CPPs on how to spend remaining fund balances
OC Plans for AB 114 Funds

- New Proposal:
  - CFTN: Spend identified reverted funds in FY 2018-19 on planned upgrades
OC Plans AB 114 CFTN Plan

ACTION ITEMS:

1. Approve Orange County to spend reverted CFTN funds, per AB 114, in FY 2018-19 on planned EHR upgrades

2. Transfer $2.1 million from CSS to CFTN in FY 2017-18 to cover planned EHR upgrades

OC MHSA Revenue & Expenditures

Anthony Le
MHSA Fiscal Manager
CSS Revenue

- Actual Revenue (incl interest)

CSS Revenue & Expenditures

- Spike due to anticipated $90.5 M in PSH
- Revenue Spike ID’d
- CPP Procure. Process
- New/Expanded Programs Launch

Actual Revenue (incl interest) vs Expenditures (excl. PR)
CSS Revenue, Expenditures & Balances

Actual CSS Fund Balance with PR