

# Fiscal Transparency Dashboard Methodology

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## Fiscal Transparency Dashboard:

The Fiscal Dashboard displays information on fiscal status of county Mental Health Service Act (MHSA) funding, including beginning/closing balances, revenue, and expenditure. In addition, users can find information on MHSA funding details (expenditure and closing balances by allocation year, etc) on this dashboard.

## Methodology:

RER raw data are from Department of Health Care Services (DHCS)'s MHSA Revenue and Expenditure Data file. Some data points may be different from county-submitted Revenue and Expenditure Reports (RERs) due to adjustments made during the reversion appeal process or as a result of DHCS fiscal audits. Changes made through corrective action plans may not be reflected in this data set.

Raw data fall into the following types:

1. MHSA funds distribution
2. Interests
3. Expenditures
4. Transfers
5. Adjustments

## Rebuilding Revenue and Expenditure Reports

### Order of Operations for Applying Expenditures, Transfers and Adjustments

In collaboration with DHCS, we developed an order of operation that maximally preserves the county's ability to expend its MHSA allocations. This typically means applying revenue credits, adjustment credits/debits, and transfer credits, followed by expenditure debits, and finally transfer debits, by component.

### Closing Balance

Once we complete assigning expenditures, transfers and adjustments, what is left (debits and credits account will cancel each other out) from available funds for the year becomes the closing balance. Closing balances are comprised of a series of MHSA accounts and will be used as the beginning balances for the coming year.

**Negative Balance**

In the event that a county expends more money during a reporting year than was cumulatively available from all accounts in a MHSA component, we would track negative balances in the expectation that such a deficiency would be addressed in a future corrective action plan and noted as an adjustment in a future RER. Expenditures could not be assigned to accounts with negative balances, and the only way to remove those negative balance accounts is through adjustment credits.

**Innovation (INN) Component**

Per Senate Bill (SB) 79, the policy governing the reversion of INN component of MHSA changed starting June 2019. Specifically, counties are required to get the approval of INN projects so that they can encumber the funds in the time window (three year for large counties and five years for small counties). Once encumbered, the funds will not revert to the state. In current draft, we did not track the reversion of INN funds.

All Commission approved INN projects, starting from FY 2013-14, are tracked in our INN encumbrance dataset. Project encumbrance amounts are adjusted if there are expenditures reported in the RERs.