

HEALTH & HUMAN SERVICES

Realignment Revenue Challenges 2020-21



BOS MEETING 7/21/20

Realignment Revenue Outlook as of July 6, 2020

HHSA FY 2020-21 REALIGNMENT

- ⌘ HHSA FY 2020-21 Recommended Budget based on historic allocation
 - Base plus Growth received in FY 19-20
- ⌘ May Revise reduced projected sales tax and vehicle license fee (VLF) collections
 - HHSA projected Realignment reduction \$4.7M
- ⌘ Final State Budget
 - \$750M Realignment backfill – HHSA Allocation \$2.4M
 - \$250M Realignment backfill – HHSA Allocation \$790K
- ⌘ HHSA Net Reduction
 - \$750M backfill: HHSA Reduction \$2.3M
 - \$250M backfill: HHSA Reduction \$1.5M

Realignment Revenue Outlook as of July 6, 2020

HHSA FY 2020-21 REALIGNMENT

HHSA REALIGNMENT REVENUE PROJECTION						
DIVISION	FY 20/21 RECOMMENDED BUDGET	MAY REVISE BUDGET	STATE GENERAL FUND BACKFILL \$750M	REVISED REVENUE WITH INITIAL BACKFILL	FEDERAL RELIEF BACKFILL \$250M	REVISED REVENUE WITH ADDITIONAL BACKFILL
BEHAVIORAL HEALTH	8,305,304	7,379,231	479,806	7,859,037	159,935	8,018,972
PUBLIC HEALTH	5,681,657	4,645,413	556,855	5,202,268	185,618	5,387,886
SOCIAL SERVICES	22,332,510	19,595,413	1,333,476	20,928,889	444,492	21,373,381
TOTAL	36,319,471	31,620,057	2,370,137	33,990,194	790,045	34,780,239

Reduction \$4.7M

Net Reduction \$2.3M

Net Reduction \$1.5M

Realignment Revenue Outlook as of July 6, 2020

BEHAVIORAL HEALTH

☞ REVENUE – FY 20-21 REALIGNMENT BACKFILL

REALIGNMENT IMPACTS	MAY REVISE	\$750M BACKFILL / NET REDUCTION		\$250M BACKFILL / NET REDUCTION	
Net Realignment Reductions	(\$926,073)	\$479,806	(\$446,267)	\$159,935	(\$286,332)
Net Percent Reduction	11.2%		5.4%		3.4%

Percent reduction is in comparison to the FY 20-21 Recommended Budget

Realignment Revenue Outlook as of July 6, 2020

BEHAVIORAL HEALTH

STRATEGIES TO MANAGE REDUCTION IN REVENUE

STRATEGY	MAY REVISE	\$750M BACKFILL	\$250M BACKFILL
Net Realignment Reduction	(\$926,073)	(\$446,267)	(\$286,332)
1) Client Services Review	\$475,000	\$475,000	\$475,000
2) Shift Staff Time to MHSA	\$175,000	\$175,000	\$175,000
3) Reduce Operating Costs	\$150,000	-	-
4) Increase Medi-Cal Revenue	\$ 50,000	\$ 50,000	\$ 50,000
5) Reduction in SUDS Services	\$ 63,073	\$ 63,073	\$ 63,073
6) Fund Balance Use/(Add)	\$ 13,000	(\$316,806)	(\$476,741)

Realignment Revenue Outlook as of July 6, 2020

PUBLIC HEALTH

☞ REVENUE – FY 20-21 REALIGNMENT BACKFILL

REALIGNMENT IMPACTS	MAY REVISE	\$750M BACKFILL / NET REDUCTION		\$250M BACKFILL / NET REDUCTION	
Net Realignment Reductions	(\$968,831)	\$ 518,989	(\$446,791)	\$172,996	(\$273,795)
Net Percent Reduction	16.9%	8.4%		5.2%	

Realignment Revenue Outlook as of July 6, 2020

PUBLIC HEALTH

STRATEGIES TO MANAGE REDUCTION IN REVENUE

STRATEGY	MAY REVISE	\$750M BACKFILL	\$250M BACKFILL
Net Realignment Reduction	(\$968,831)	(\$446,791)	(\$273,795)
1) Revenue from COVID Grant	\$184,000	\$184,000	\$184,000
2) Reduction to CAO Preparedness	\$ 19,500	\$ 8,970	\$ 5,460
3) Reduction In Staff Costs	\$433,336	\$253,821	\$253,821
4) Fund Balance Use/(Add)	\$328,995		(\$169,486)

Realignment Revenue Outlook as of July 6, 2020

SOCIAL SERVICES

REVENUE – FY 20-21 REALIGNMENT BACKFILL

REALIGNMENT IMPACTS	May Revise	\$750M BACKFILL / NET REDUCTION		\$250M BACKFILL / NET REDUCTION	
Net Realignment Reduction	(\$2,737,097)	\$1,333,476	(\$1,403,621)	\$444,492	(\$959,129)
Net Percent Reduction	12.3%	6.3%		4.3%	

Realignment Revenue Outlook as of July 6, 2020

SOCIAL SERVICES

STRATEGIES TO MANAGE REDUCTION IN REVENUE

STRATEGY	MAY REVISE	\$750M BACKFILL	\$250M BACKFILL
Net Realignment Reduction	(\$2,737,097)	(\$1,403,621)	(\$959,129)
1) Reduction of Placement Costs	\$ 2,004,392	\$ 1,409,192	\$ 1,409,192
2) Reduction in Contracted Services	\$ 460,701	\$ 460,701	\$ 460,701
3) Reduction in Staffing Costs	\$ 272,004	\$ 272,004	\$ 272,004
4) Fund Balance Use/(Add)	-	(\$ 738,276)	(\$1,182,768)

Realignment Revenue Outlook as of July 6, 2020

HHSA REALIGNMENT FUND BALANCE

∞ FY 2020-21 FUND BALANCE PROJECTION

Division	Projected FY 20-21 Beginning Fund Balance	Projected FY 20-21 Use of/(Add to) Fund Balance with \$750M Backfill	Projected FY 20-21 Ending Fund Balance
Behavioral Health	2,229,211	584,731	1,644,480
Public Health	7,606,072	(243,239)	7,849,311
Social Services	3,943,657	1,905,381	2,038,276
Total	13,778,940	2,246,873	11,532,067

Realignment Revenue Outlook as of July 6, 2020

HEALTH & HUMAN SERVICES AGENCY

∞ FUTURE ISSUES

- **Public Health**
 - El Dorado Center
 - 10% 1991 Realignment Transfer Authority
 - CARES and FEMA Reimbursement
 - Community Hubs (MHSA and Realignment)
- **Behavioral Health**
 - MHSA Projected Reductions
- **HHSA**
 - Impact of Potential County General Fund Reductions
 - Impacts from COVID and CARES Funding
 - Reduction of Community Corrections Partnership Funding
 - Impact of Future Federal and State Budget Changes

Realignment Revenue Outlook as of July 6, 2020

HEALTH & HUMAN SERVICES AGENCY

 QUESTIONS??

Realignment Revenue Outlook as of July 6, 2020