

# HEALTH AND HUMAN SERVICES AGENCY



## **5-YEAR PROJECTION PRESENTATION**

**BOARD OF SUPERVISORS  
DECEMBER 4, 2018**

# OVERVIEW



- **Introduction**
  - Purpose
  - Assumptions
- **Summary of County General Fund**
- **Administration and Financial Services**
- **Social Services Division**
- **Community Services Division**
- **Public Health Division**
- **Behavioral Health**
- **What does it all mean?**

# LET'S TAKE A "ROAD TRIP" THRU THE PROJECTION



# PURPOSE



- **HHSA was requested to develop a 5-year projection model to determine if there would be a potential funding impact, paying attention particularly to general fund impacts.**
- **Due to high variability of revenues and expenditures within HHSA, the projection will focus on a small list of assumptions with all other revenue and expenditures remaining consistent with trends.**

# ASSUMPTIONS



- Projection was developed based on several assumptions:

<b>Assumptions</b>
Position merit (step) increases
PERS Unfunded actuarial liability
PERS Employer contribution
Retiree Health costs
Worker's compensation costs
County Cost Plan 2 CFR 200 (formerly A-87)
HHSA Admin indirect cost rate
In-Home Supportive Service maintenance of effort
Increases to revenue sources

# SUMMARY OF GENERAL FUND



Division	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Net Inc/(Dec)
HHSAdmin	(536,957.00)	(2,252,394.00)	631,189.00	2,345,329.00	(529,195.00)	7,762.00
Social Services	2,204,642.00	4,113,229.00	4,894,995.00	5,418,588.00	7,678,877.00	5,474,235.00
Community Services	4,243,637.00	4,858,227.00	4,799,803.00	4,833,919.00	5,384,474.00	1,140,837.00
Public Health	6,651,861.00	7,631,596.00	7,682,252.00	7,789,180.00	8,137,902.00	1,486,041.00
Behavioral Health	16,510.00	16,510.00	16,510.00	16,510.00	16,510.00	-
<b>NCC/GFC Total</b>	<b>12,579,693.00</b>	<b>14,367,168.00</b>	<b>18,024,749.00</b>	<b>20,403,526.00</b>	<b>20,688,568.00</b>	<b>8,108,875.00</b>

# ADMINISTRATION AND FINANCIAL SERVICES (A&FS)



- A&FS use of Net County Cost is cyclical in nature.
- HHSA utilizes federal regulations (2CFR200) to develop an indirect cost rate plan similar to the County Cost Allocation Plan (A-87)
- Goal of indirect cost rate plan is to recover costs over time.
- Based on the assumptions in the projection, HHSA administration will impact the general fund by less than .001%

# ADMINISTRATION AND FINANCIAL SERVICES (A&FS)



Cost Category	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Total
Step Increase	169,002.00	144,823.00	138,854.00	142,609.00	595,288.00
PERS UAL	122,898.00	93,067.00	115,542.00	109,592.00	441,099.00
PERS Emp. Cont. %	37,242.00	60,918.00	16,131.00	17,416.00	131,707.00
Retiree Health	13,330.00	11,196.00	11,197.00	(3,619.00)	32,104.00
Worker's Comp	10,272.00	8,108.00	8,107.00	(2,620.00)	23,867.00
Cost Plan 2CFR 200	45,823.00	(5,274.00)	(273.00)	(10,274.00)	30,002.00
<b>Total Cost Increase</b>	<b>398,567.00</b>	<b>312,838.00</b>	<b>289,558.00</b>	<b>253,104.00</b>	<b>1,254,067.00</b>
<b>Revenue Category</b>					
ICR Revenue	(2,114,004.00)	2,570,745.00	1,424,582.00	(3,127,628.00)	(1,246,305.00)
<b>Total Revenue</b>	<b>(2,114,004.00)</b>	<b>2,570,745.00</b>	<b>1,424,582.00</b>	<b>(3,127,628.00)</b>	<b>(1,246,305.00)</b>
<b>Inc/ (Dec) to NCC</b>	<b>(1,715,437.00)</b>	<b>2,883,583.00</b>	<b>1,714,140.00</b>	<b>(2,874,524.00)</b>	<b>7,762.00</b>



# SOCIAL SERVICES DIVISION (SSD)



- SSD is estimated to require an additional \$5.4M in funding by FY 22-23
- Realignment is a large funding stream for SSD.
- 1991 Realignment increased to cover additional In-Home Supportive Services maintenance of effort for FY 19/20 only.
- Estimated open ended federal funding increased where appropriate.

# SOCIAL SERVICES DIVISION (SSD)



Cost Category	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Total
IHSS MOE	596,466.00	405,458.00	298,592.00	315,012.00	1,615,528.00
Salary Step Increase	466,598.00	382,016.00	390,988.00	396,540.00	1,636,142.00
PERS UAL	337,375.00	256,053.00	317,893.00	300,650.00	1,211,971.00
PERS Emp. Cont. %	107,003.00	170,605.00	48,384.00	101,285.00	427,277.00
Retiree Health	88,833.00	44,022.00	44,021.00	44,023.00	220,899.00
Worker's Comp	147,658.00	73,182.00	73,183.00	73,180.00	367,203.00
Cost Plan 2CFR 200	275,210.00	68,155.00	68,156.00	68,156.00	479,677.00
HSA Admin ICR	962,634.00	(1,141,988.00)	(621,973.00)	1,381,455.00	580,128.00
<b>Total Cost Increase</b>	<b>2,981,777.00</b>	<b>257,503.00</b>	<b>619,244.00</b>	<b>2,680,301.00</b>	<b>6,538,825.00</b>
<b>Revenue Category</b>					
1991 Realignment IHSS offset	(596,466.00)				(596,466.00)
Open Federal Funding	(476,724.00)	524,263.00	(95,651.00)	(420,012.00)	(468,124.00)
<b>Total Revenue Increase</b>	<b>(1,073,190.00)</b>	<b>524,263.00</b>	<b>(95,651.00)</b>	<b>(420,012.00)</b>	<b>(1,064,590.00)</b>
<b>Increase/(Decrease) to NCC</b>	<b>1,908,587.00</b>	<b>781,766.00</b>	<b>523,593.00</b>	<b>2,260,289.00</b>	<b>5,474,235.00</b>

# COMMUNITY SERVICES DIVISION (CSD)



- The CSD is estimated to require an additional \$1.1M in funding by FY 22-23.
- The majority of funding for CSD is capped grant funding.
- Funding for CSD typically include limits on claiming for administration costs.
- CSD has several programs with small fund balances that are restricted to certain programs or activities.

# COMMUNITY SERVICES DIVISION (CSD)



Cost Category	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Total
Discontinue WIOA (Dec)*	(34,628.00)				(34,628.00)
Step Increase	74,356.00	98,212.00	100,859.00	103,586.00	377,013.00
PERS UAL	65,642.00	71,806.00	89,149.00	84,556.00	311,153.00
PERS Emp. Cont. %	4,319.00	44,270.00	12,760.00	26,233.00	87,582.00
Retiree Health	8,405.00	3,843.00	3,843.00	3,843.00	19,934.00
Worker's Comp	4,886.00	1,979.00	1,980.00	1,980.00	10,825.00
Cost Plan 2CFR 200	40,109.00	5,012.00	5,012.00	5,012.00	55,145.00
HHS Admin ICR	84,170.00	(293,062.00)	(157,352.00)	365,112.00	(1,132.00)
<b>Total Cost Increase</b>	<b>247,259.00</b>	<b>(67,940.00)</b>	<b>56,251.00</b>	<b>590,322.00</b>	<b>825,892.00</b>
<b>Revenue Category</b>					
Other Revenue	367,331.00	9,516.00	(22,135.00)	(39,767.00)	314,945.00
<b>Total Revenue Increase</b>	<b>367,331.00</b>	<b>9,516.00</b>	<b>(22,135.00)</b>	<b>(39,767.00)</b>	<b>314,945.00</b>
<b>Increase/(Decrease) to GF</b>	<b>614,590.00</b>	<b>(58,424.00)</b>	<b>34,116.00</b>	<b>550,555.00</b>	<b>1,140,837.00</b>
*WIOA was discontinued during FY 2018-19					

# PUBLIC HEALTH DIVISION (PHD)



- The PHD is estimated to require an increase in \$1.5M in funding.
- The projection assumed GEMT fund balance will be depleted after FY 18-19.
- PHD has established a prudent fund balance over the last several years.
- The Innovation funding for the HUBS is discontinued in the projection after FY 19-20, however funding is still depicted in the projection for the remaining years.
- The projection utilizes an assumption for static ambulance fee revenue and small increase in special tax/benefit assessments.

# PUBLIC HEALTH DIVISION (PHD)



Cost Category	FY 19/20	FY 20/21	FY 21/22	FY 22/23	Total
Step Increase	182,919.00	169,585.00	174,008.00	178,856.00	705,368.00
PERS UAL	142,003.00	107,533.00	133,504.00	126,633.00	509,673.00
PERS Emp. Cont. %	53,240.00	76,699.00	21,590.00	45,114.00	196,643.00
Retiree Health	27,045.00	18,243.00	18,243.00	18,242.00	81,773.00
Worker's Comp	115,825.00	78,075.00	78,074.00	78,075.00	350,049.00
Cost Plan 2CFR 200	253,814.00	156,035.00	156,034.00	156,034.00	721,917.00
HHS Admin ICR	423,235.00	(522,557.00)	(284,736.00)	528,436.00	144,378.00
<b>Total Cost Increase</b>	<b>1,198,081.00</b>	<b>83,613.00</b>	<b>296,717.00</b>	<b>1,131,390.00</b>	<b>2,709,801.00</b>
<b>Revenue Category</b>					
Other Revenue	(218,346.00)	(32,957.00)	(189,789.00)	(782,668.00)	(1,223,760.00)
<b>Total Revenue</b>	<b>(218,346.00)</b>	<b>(32,957.00)</b>	<b>(189,789.00)</b>	<b>(782,668.00)</b>	<b>(1,223,760.00)</b>
<b>Increase/(Decrease) to GF</b>	<b>979,735.00</b>	<b>50,656.00</b>	<b>106,928.00</b>	<b>348,722.00</b>	<b>1,486,041.00</b>

# BEHAVIORAL HEALTH DIVISION (BHD)



- The BHD receives \$16,510 of general fund per year for the legislated state and local program realignment (SLPR) match.
- BHD has both restricted and unrestricted fund balances.
- The projection does not include an assumption regarding potential reversion of MHSA funds.

## WHAT DOES IT ALL MEAN?



- Based on the assumptions, HHSA would need an additional \$8.1M in funding by FY22-23.
- If federal and state revenues are insufficient, this could be an impact to the County general fund.
- HHSA will continue to monitor future fiscal implications.



# What Have We Done?



- **HHSA currently working on several different issues to help mitigate impact to future revenue sources including the general fund.**
- **We are reviewing service delivery options (ie. Service Integration)**
- **We are reviewing mandated program requirements to ensure service is provided efficiently.**
- **We are implementing performance measurements to aid in making program decisions and ensure programs have desired outcomes.**
- **Working closely with our Community partners to address funding sustainability for several programs.**



**THE END!**