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Title: Health and Human Services Agency recommending the Board approve and authorize the Chair to sign the following Budget Transfer Requests for fiscal year 2018-19 budget (4/5 vote required):

- 1) A Budget Transfer Request to increase revenue and appropriations in the amount of \$15,000, comprised of Public Health Emergency Preparedness Grant (\$9,100) and City Readiness Initiative Grant (\$5,900) State-approved carry-forward funds for the purchase of computer minor equipment;
- 2) A Budget Transfer Request increasing Revenue in the Public Housing Authority program by transferring \$90,000 of general fund from the County Medical Services Program participation fee savings to the Public Housing Authority Program;
- 3) A Budget Transfer Request increasing appropriations in the amount of \$37,000 to Other Governmental Agencies in the Public Guardian program and also drawing down funds from the County Audit Reserve account, which was established for the Targeted Case Management (TCM) program in November 2016. This transfer from the Audit Reserve is to repay the State of California, Department of Health Care Services (DHCS) for a Fiscal Year 2014-15 site visit audit settlement for the TCM program which included the disallowance of 39 client services in the amount of approximately \$37,000;
- 4) A Budget Transfer request to increase revenue and appropriations in the Social Services Division in the amount of \$800,000 due to increase in costs from recently negotiated County labor agreements and changes to the Governor's adopted budget for Fiscal Year 2018-19. The request is to increase appropriations in salaries, and intra-fund transfers due to recent labor negotiations which increased wages mid-year to a large percent of Social Services staff. Additionally, there is an increase in assistance and client services expenditures due to changes in the current year State budget that coincide with increases in revenue to be claimed by Social Services;
- 5) A Budget Transfer Request to increase revenue and appropriations by \$916,000 in the Public Health Division, to allow for the transfer of the Fiscal Year 2017-18 Public Health realignment revenue balance to the Public Health Administration Operating Account, thereby allowing for the appropriate transfer out of realignment to Public Health, Animal Services and Environmental Management, additionally funds left unspent in Public Health will be reserved for future use in the South Lake Tahoe building project;
- 6) A Budget Transfer Request in the amount of \$824,919 for the Social Services Division to increase revenue and appropriations to the Child Poverty and Family Support special revenue fund and to decrease State General Fund to the Social Services operating account. This request is due to a change in the funding for CalWORKS Administrative Programs and to adjust revenue sources as necessary due to an increase in beginning fund balance; and
- 7) A Budget Transfer request to increase appropriations in the Public Health Division due to an increase in the California Forensic Medical Group contract approved by the Board of Supervisors in December 2018 in the amount of \$100,000. The request to utilize general fund revenue savings originally appropriated for the County Medical Services Program (CMSP) within Public Health.

FUNDING: Public Health Preparedness & City Readiness Grant; County General Fund savings from CMSP; Targeted Case Management Audit Reserves; Social Services Realignment and State Foster Care Funding; Public Health Realignment; Child Poverty and Family Support funding; County General Fund savings from CMSP.

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - BTR for PEHP/CRI 5/14/19, 2. B - BTR for PHA 5/14/19, 3. C - BTR for PG 5/14/19, 4. D - BTR for Social Svcs 5/14/19, 5. E - BTR for Public Health 5/14/19, 6. F - BTR for CalWORKS 5/14/19, 7. G - BTR for CFMG 5/14/19, 8. Executed Budget Transfer PEHP/CRI, 9. Executed Budget Transfer PHA, 10. Executed Budget Transfer PG, 11. Executed Budget Transfer Social Services, 12. Executed Budget Transfer Public Health, 13. Executed Budget Transfer CALWORKS, 14. Executed Budget Transfer CFMG

Date	Ver.	Action By	Action	Result
5/14/2019	1	Board of Supervisors	Approved	Pass

Health and Human Services Agency recommending the Board approve and authorize the Chair to sign the following Budget Transfer Requests for fiscal year 2018-19 budget (4/5 vote required):

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- 4) A Budget Transfer request to increase revenue and appropriations in the Social Services Division in the amount of \$800,000 due to increase in costs from recently negotiated County labor agreements and changes to the Governor's adopted budget for Fiscal Year 2018-19. The request is to increase appropriations in salaries, and intra-fund transfers due to recent labor negotiations which increased wages mid-year to a large percent of Social Services staff. Additionally, there is an increase in assistance and client services expenditures due to changes in the current year State budget that coincide with increases in revenue to be claimed by Social Services;
- 5) A Budget Transfer Request to increase revenue and appropriations by \$916,000 in the Public Health Division, to allow for the transfer of the Fiscal Year 2017-18 Public Health realignment revenue balance to the Public Health Administration Operating Account, thereby allowing for the appropriate transfer out of realignment to Public Health, Animal Services and Environmental Management, additionally funds left unspent in Public Health will be reserved for future use in the South Lake Tahoe building project;
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FUNDING: Public Health Preparedness & City Readiness Grant; County General Fund savings from CMSP; Targeted Case Management Audit Reserves; Social Services Realignment and State Foster Care Funding; Public Health Realignment; Child Poverty and Family Support funding; County

General Fund savings from CMSP.

DISCUSSION / BACKGROUND:

Health and Human Services Agency (HHSA) has a complex and diverse program mix that is funded by grants, State, and Federal programs with differing fiscal year calendars. The HHSA fiscal year (FY) 2018-19 Recommended Budget submitted in February 2018 was a projection based on assumptions developed from historical information, trending, and anticipated events, which may be impacted by the final State budget, fund balance, and roll over grant funding. Historically, following the Recommended Budget submission, more information becomes available and based on mid-year review HHSA will true up items such as revenues, fund balances, and staffing changes.

These Budget Transfer Requests are being submitted to address items that have been identified as revenue and appropriation issues in FY 2018-19.

Budget Transfer Request #1

The \$9,100 requested will be used to purchase Computer Equipment for the Public Health Preparedness program; the \$5,900 will be used to purchase Computer Equipment for the Public Health Preparedness City Readiness program.

Budget Transfer Request #2

The \$90,000 General Fund transfer from one-time expenditure savings in the County Medical Services Program (CMSP) appropriations will be used to cover a shortfall in the Public Housing Authority (PHA) program. Family Self-Sufficiency (FSS) funding received by the Public Housing Authority (PHA) program as well as a decrease in administration revenue to cover program administration costs have caused the PHA to receive insufficient revenue for FY 2018-19 program operations. Due to a disallowance of FSS funding by the U.S. Housing and Urban Development Department (HUD) for Calendar Year 2018, the PHA is experiencing a revenue short-fall in the FY 2018-19 budget. The calendar Year 2019 FSS funding has been approved by HUD and we are anticipating receiving approximately \$30,000 during this fiscal year. Additionally, PHA has been working with HUD to increase the amount of administration revenue received related to housing-choice vouchers and utilizing different program strategies to increase program administration funding and we are anticipating receiving approximately \$25,000 in additional revenue. Additional revenue received during this fiscal year would reduce the amount of general fund needed to cover the program shortfall.

Budget Transfer Request #3

The County Audit Reserve account was established in November 2016 due to receiving multiple cost settlement and audit notifications related to the Targeted Case Management (TCM) program operated within HHSA. The original reserve was established in the amount of \$240,000 which has a remaining balance of \$181,000. Due to a recent FY 2014-15 TCM site visit audit settlement, HHSA is required to pay back \$37,000 for revenue that was previously received but disallowed during the audit process. During the FY 2014-15 audit, the Department of Health Care Services disallowed 39 services provided to clients and determined they were non-billable. HHSA had previously received the revenue related to the disallowed services and is now required to return the funds to the State. The audit reserve balance is sufficient to support this budget transfer which is requested to be \$37,000. While HHSA discontinued the TCM program beginning July 1, 2018, there are several years that remain open for audit with the State of California Department of Health Care Services.

Budget Transfer Request #4

A Budget Transfer request to increase revenue and appropriations due to recently negotiated County

labor agreements and changes to the Governor's adopted budget for FY 2018-19. The request is to increase salaries (\$300,000), and intra-fund transfers (\$100,000) due to recent labor negotiations which increased wages mid-year to a large percent of Social Services staff. Additionally, there is an increase in assistance (\$420,000 Foster Care Assistance) and client services (\$80,000) due to changes in the current year State budget. The Social Services Division also has savings of \$100,000 in services and supplies to offset the additional costs related to negotiations. The total budget transfer includes an increase in revenue of \$800,000 due to the ability for Social Services to claim the additional appropriations in the County Expense Claim process.

Budget Transfer Request #5

The request to increase revenue and appropriations by \$916,000 in the Public Health Division, is to allow for the transfer of the FY 2017-18 Public Health realignment revenue balance to the Public Health Administration Operating Account, thereby allowing for the appropriate transfer out of realignment to Public Health (76%), Animal Services (13%) and Environmental Management (11%) based on the previous approved methodology. This balance remains in the realignment special revenue fund from FY 2017-18 due to HHSA deciding to not transfer the funds utilizing the approved 1991 Realignment Act transfer authority to Social Services and Mental Health as originally budgeted in the FY 2017-18 recommended budget. The balance of funds in the Public Health operating account will be reserved for future use in the South Lake Tahoe building project.

Budget Transfer Request #6

The request to increase revenue and appropriations in the Child Poverty and Family Support special revenue fund and to decrease State General Fund to Social Services operating account. This request is necessary due to a change in the funding for CalWORKS Administrative Programs according to County Fiscal Letter (CFL) 18/19-17. A portion of the State General Fund for the CalWORKS single allocation funding is being replaced with funding from the Child Poverty and Family Support subaccount. Additionally, the budget transfer is to make adjustments to fund balance and resources normally done during the addenda budget process which includes an increase in fund balance and updating the use of money revenue sources. There is no net effect to the County general fund for the change in revenue.

Budget Transfer Request #7

The Public Health Division is requesting a budget transfer in the amount of \$100,000 to increase appropriations related to an increase in the California Forensic Medical Group (CFMG) contract approved by the Board of Supervisors in December 2018. The budget transfer will utilize general savings from the County Medical Services Program (CMSP). The CMSP savings is due to the required annual participation fee was waived in FY 2018-19 by the CMSP governing board.

ALTERNATIVES:

Should the Board decline to adopt and authorize the Chair to sign any of the seven (7) Budget Transfer Requests, HHSA would be unable to successfully balance the FY 2018-19 budget and would be required to reduce expenditures to remain within current budgeted appropriations where additional funding is being requested as part of the budget transfer process.

PRIOR BOARD ACTION:

N/A

OTHER DEPARTMENT / AGENCY INVOLVEMENT:

N/A

CAO RECOMMENDATION:

It is recommended that the Board approve this item.

FINANCIAL IMPACT:

- 1) If Budget Transfer Request #1 is not approved, the program will have insufficient appropriations to purchase equipment and would not be able to purchase equipment with grant funds.
- 2) If Budget Transfer Request #2 is not approved, the Public Housing Authority will have insufficient revenue to fund current program operational costs. There is no additional general fund impact to this request.
- 3) If Budget Transfer Request #3 is not approved, HHSA would be required to reduce expenditures in Public Guardian in order to return the funds or risk being out of compliance with DHCS as required by the cost report and audit settlement process. There could be a potential general fund impact if sufficient savings were not identified in the Public Guardian program to repay the State of California.
- 4) If Budget Transfer Request #4 is not approved, Social Services will have insufficient appropriations to fund current program operations and would not be able to claim the additional revenue based on program costs
- 5) If Budget Transfer Request #5 is not approved Public Health will not have sufficient appropriations to draw down revenue from the special revenue fund in order to transfer appropriate revenue to Animal Services and Environmental Management during FY 2018-19 which would minimize potential general fund savings.
- 6) If Budget Transfer Request #6 is not approved Social Services Division will have insufficient appropriations to transfer revenue received in the Child Poverty and Family Support account to the Social Services operating account to cover current year operations. There is no general fund impact to this request.
- 7) If Budget Transfer Request #7 is not approved the Public Health Division would have insufficient appropriations to make payments to CFMG as required by the approved contract. There is no general fund impact to this request.

CLERK OF THE BOARD FOLLOW UP ACTIONS:

- 1) Clerk of the Board to obtain signature of Chair on each Budget Transfer Request.
- 2) Clerk of the Board to forward signed Budget Transfer Request(s) to the Auditor-Controller's Office for processing.

STRATEGIC PLAN:

N/A

CONTACT

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