



County of El Dorado

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Legislation Text

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Human Services Department submitting recommendation made by the California Department of Community Services and Development (CSD) to provide a plan to expend the balance of excess revenues earned by the County's Low-Income Home Energy Assistance (LIHEAP) Weatherization Program; and recommending the Board approve the Expenditure Plan with a budget and timeframe for expenditure of said excess earned revenues for submittal to CSD. (Continued 7/22/2008, Item 8)

RECOMMENDED ACTION: Approve.

FUNDING: Weatherization Grant Program Earned Revenues.

BUDGET SUMMARY:		
Total Estimated Cost		\$ 160,642.31
Funding		
Budgeted	\$ 160,642.31	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$ 160,642.31	
Change To Net County Cost		\$ 0.00

Fiscal Impact/Change to Net County Cost: No change. Expenditure of local earned revenues and associated interest requires no County match. Funds are budgeted for FY 2008-09, and any remaining revenue balance, along with current year earned revenues will be included in the FY 2009-10 County Budget Request.

Reason for Recommendation:

Human Services has provided Low-Income Home Energy Assistance Program (LIHEAP) services to residents of El Dorado and Alpine counties for nearly three decades funded by an annual calendar-year grant from the California Department of Community Services and Development. Energy Assistance consists of direct payments to energy providers or vouchers for wood, propane or oil that reduce the cost to eligible clients in heating or cooling their homes. The Weatherization component of LIHEAP not only assists clients to reduce their ongoing heating and cooling costs, but also improves housing stock countywide.

As a result of efficiencies exercised in provision of Weatherization services, DHS weatherizes homes throughout El Dorado County at costs below the State-allowed reimbursement rates for weatherization measures provided, thus generating excess earned revenues annually. The amount earned each year varies greatly based on a number of factors, such as the federal grant allocation.

The earned revenues may be expended to further additional LIHEAP objectives, i.e. for Energy Assistance or Weatherization services. The Department's practice has been to retain and carry over a significant portion of these excess revenues, with earned interest added to the balance considered as program income for expenditure in subsequent years. This balance has been partially spent down on a regular basis with a reserve to be accessed when necessary to meet unusual demands.

The CSD Audit Transmittal Report TR 07-057 references an unexpended balance of earned excess revenue in the amount of \$215,968 as of 6/30/06 and an estimate of \$349,875 as of 6/30/07 which did not reflect final expenditures for the 2007 contract year. The earned excess revenue balance fluctuates monthly as funds are expended and new revenues are earned. A significant portion of the referenced earned excess revenue balance has already been expended. The balance was \$160,642.31 as of 5/31/08.

Although governing regulations do not require the full expenditure of earned excess revenues annually, CSD has regularly directed that these funds be fully expended each year. Given the current fiscal environment with continuing increases in energy costs and the corresponding impacts on low-income households countywide, the Department has determined this to be an appropriate time to spend down the excess revenue balance to provide additional assistance to local low-income households in this time of serious economic challenges. In accordance with the recommendation contained in the CSD Audit Transmittal Report, Human Services has developed a budget and timeline (Expenditure Plan) that details the planned expenditure of \$100,000 of the current excess earned revenue balance before the end of the 2008 contract year with the remainder to be expended during the 2009 contract year. Any additional current year and ongoing earned excess revenues will be budgeted for expenditure in future fiscal years.

Copies of the CSD Audit Transmittal Report TR 07-057, the relevant page of the El Dorado County Single Audit Report for the Fiscal Year ending June 30, 2007, Human Services' initial response to CSD and the proposed detailed Expenditure Plan are attached and on file with the Board Clerk.

Action to be taken following Board approval:

Board Clerk to provide Human Services, Community Services Division at Briw Road with a certified Master Report reflecting Board of Supervisors action. Human Services to submit approved Expenditure Plan to California Department of Community Services and Development.

Contact: Doug Nowka, Director, 621-6163

Concurrences: N/A