



Legislation Text

File #: 20-0196, Version: 1

..Title

Health and Human Services Agency recommending the Board approve and authorize the Chair to sign the following Budget Transfer Requests for the fiscal year 2019-20 budget:

- 1) A Budget Transfer Request increasing 1991 Realignment revenue and appropriations for Social Services and reallocate BOS Resolution 162-2019 year end fund balances which used contingency for prior year excess revenues above liabilities, it is necessary to decrease contingencies and appropriate the funds for use in program operations;
- 2) A Budget Transfer Request to allocate recently awarded Homeless Grant revenues and appropriations in the Community Services Department received after the Recommended Budget Submission and reallocate BOS Resolution 162-2019 year end fund balances;
- 3) A Budget Transfer Requesting to increase Realignment and Substance Abuse Disorder Programs Special Revenue Funds revenues and increase appropriations in the Behavioral Health operating accounts;
- 4) A Budget Transfer Request reallocating Realignment and Substance Abuse Disorder Programs Special Revenue Funds for the BOS Resolution 162-2019 year end fund balances to allow for transferring into the programs operating accounts;
- 5) A Budget Transfer Request increasing Realignment and grant revenues and appropriations for the Public Health operating accounts and reallocate BOS Resolution 162-2019 year end fund balances. This transfer also facilitates the transfer of the prior year fund balance for the Emergency Medical Services Program (\$793,250) to the CAO; and
- 6) A Budget Transfer increasing Fixed Assets offset by program savings for Veteran Affairs in the amount of \$15,000 to facilitate the purchase of two veteran I.D. printers.

FUNDING: 1. Social Services Realignment, Child Poverty and Family Support, and CalWORKs MOE; 2. Homeless Prevention Grants including Housing and Emergency Assistance (HEAP), California Emergency Solutions and Housing (CESH), and No Place Like Home (NPLH); 3. Behavioral Health Realignment and Mental Health Services Act (MHSA); 4. Behavioral Health Realignment, Drunk Driver Fines, Drug Fines, and Alcohol Education Prevention; 5. Public Health Realignment, Ground Emergency Medical Transport (GEMT), and Tobacco Use Prevention Program (TUPP); 6. General Fund savings from the reduced Admin Indirect Cost Rate (ICR).

DISCUSSION / BACKGROUND

Health and Human Services Agency (HHSA) has a complex and diverse program mix funded by an equally diverse funding structure: Grants, State, Federal, numerous realignment accounts, fees for service and donations. The HHSA FY 2019-20 Recommended Budget submitted in February 2019 was a projection based on assumptions developed from historical trends, and anticipated status quo activity. After the budget was submitted new information became available such as: the final State budget, ending fund balances, and roll over grant funding. As more financial information became available it required budget updates to implement program requirements. These Budget Transfer Requests are being submitted to address items that have been identified as revenue and appropriation issues in FY 2019-20.

Additionally, Fiscal Year 2018-19 year end fund balances were resolved through BOS resolution 162-

2019 and the departments were directed to reconcile these adjustments through budget transfer actions. HHSA is basing the following budget transfers on the FY 2018-19 year end fund balances, information from federal and state budget changes, new grants and the FY 2019-20 Mid-Year reviews.

Budget Transfer Request #1

Social Services is projecting to receive an additional \$210K in 1991 Realignment revenue. In addition, due to the Adopted Budget fund balance adjustments as directed in BOS Resolution 162-2019 which use contingency for prior year excess revenues above liabilities, it is necessary to decrease contingencies and appropriate the funds for use in program operations.

Budget Transfer Request #2

Community Services recently received awards for several State grants for homeless services and prevention. This information was not available at the time of the Recommended Budget submission. The following budget transfer resolves accounting issues with the timing of receiving grant funding and accounting structure updates. The timing of the receipt of the Housing and Emergency Assistance Program (HEAP) grant funds was budgeted as revenue for FY 2019-20 but was received prior to the FY 2018-19 fiscal year end. As directed through BOS Resolution 162-2019, the resulting year end fund balance was put in contingency. This transfer request decreases the overall budget by reducing the budgeted state revenue. In addition, at the time of the Recommended Budget, HHSA was informed of additional State grants for homeless prevention. The revenues and appropriations were included in the budget, but the accounting structure was not in place for tracking the grants, therefore, the funds were budgeted in the HEAP general ledger org. This transfer corrects the budgeted revenue and appropriations to the appropriate newly created general ledger orgs within the sub fund; one for the California Emergency Solutions and Housing (CESH) grant (\$751,954) and one for the No Place Like Home (NPLH) grant (\$75,000). Finally, the Mercy Housing capital project intended to be funded by the HEAP grant was originally budgeted as a contracted service. This request will allow the transfer of \$850,913 to the County Facilities ACO fund for project administration.

Budget Transfer Request #3 and #4

Behavioral Health is redistributing FY 2018-19 year end fund balances in 1991 and 2011 Realignment and the Substance Abuse Programs SRF's, based on BOS Resolution 162-2019. In the operating accounts, revenues and appropriations for client services are increasing in MHSA and decreasing in Traditional Programs based on clients moving into more appropriate MHSA children's program models. In addition, the Mental Health Services Act (MHSA) Prudent Reserve statute changed effective January 1, 2019 with SB 192, stating that the Prudent Reserve should not exceed 33% of the average Community Services and Supports (CSS) revenues received in the preceding five years. Counties have until June 30, 2020 to decrease Prudent Reserve funding levels. This transfer reduces the Prudent Reserve in the amount of \$442,882 which brings HHSA into compliance.

Budget Transfer Request #5

Public Health is anticipating an increase of \$200K in 1991 Realignment revenue and \$26K in the Tobacco Use Prevention Program (TUPP). This transfer will increase revenue and appropriations to allow HHSA to fully transfer all available funds from the Realignment Special Revenue Fund (SRF). The following transfers are based on BOS Resolution 162-2019. The CAO assumed the responsibilities of the the Emergency Medical Services (EMS) and Preparedness Programs effective

07/01/2019. In order to complete fund balance transfers, a residual fund balance of \$793,250 within the Public Health operating account needs to be transferred to the CAO. There is also an \$18 fund balance in the Preparedness sub fund that remained after the fiscal year end closeout. This request will allow for the EMS and Preparedness fund balances to be transferred appropriately. Finally, revenues and appropriations for the Prop 56 Tobacco Use Prevention Program (TUPP) need to be increased due to anticipating an additional \$26,231 in TUPP revenue.

Budget Transfer Request #6

Using current fiscal years savings, Veteran Affairs is requesting to replace one broken and add one new I.D. Printer as fixed assets for each slope. Printing I.D.s for local veterans is one of the services that our agency provides and allows veterans to easily access benefits. Historically, Placerville had the only printer and veterans living in South Lake Tahoe would have to drive to Placerville to obtain an I.D. The printer in Placerville is aged and failing and needs replacement as soon as possible. There is no impact to the budgeted County General Fund due to using savings resulting from the reduced Admin Indirect Cost Rate (ICR).

ALTERNATIVES

The Board could decline to approve and authorize any of the six (6) noted actions in the Title section, in which case that Budget Transfer Request would not be processed, and the midyear budget for Fiscal Year 2019-20 would remain as is.

PRIOR BOARD ACTION

May 14, 2019, the Board approved Budget Transfer Requests for FY 2018-19 (File ID: 19-0327; Agenda No. 16)

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item.

FINANCIAL IMPACT

1) If Budget Transfer #1 is not approved, Social Services will have insufficient revenues and appropriations to support program operations and client services. This request does not have a county general fund impact.

2) If Budget Transfer #2 is not approved, Community Services will have insufficient revenues and appropriations to execute the Homeless grant approved activities, such as the transfer to the ACO fund for working with Mercy Housing to develop housing for homeless residents. This request does not have a county general fund impact.

3) If Budget Transfer #3 is not approved Behavioral Health will have insufficient revenues and appropriations to support program operations and client services. This request does not have a county general fund impact.

4) If Budget Transfer #4 is not approved, Behavioral Health will have insufficient revenues to transfer to the operating accounts which support program operations and client services. This directly impacts the ability to facilitate the activities in Budget Transfer #3. This request does not have a county

general fund impact.

5) If Budget Transfer #5 is not approved, Public Health will have insufficient revenues and appropriations to support program operations and be unable to transfer the Emergency Medical Services and Preparedness fund balances to the CAO's operating account. This request does not have a county general fund impact.

6) If Budget Transfer #6 is not approved, Veteran Affairs will have insufficient appropriations to purchase fixed assets and the program will be unable to provide our resident's with identification cards to access Veteran benefits. This request does not have a county general fund impact.

CLERK OF THE BOARD FOLLOW UP ACTIONS

- 1) Clerk of the Board to obtain signature of the Chair on each of the approved Budget Transfer Requests.
- 2) Clerk of the Board to submit signed Budget Transfer Requests to the Chief Administrative Office for processing.

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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