



Multnomah County Agenda Placement Request Budget Modification

(Revised 9/23/13)

APPROVED: MULTNOMAH COUNTY

BOARD OF COMMISSIONERS

AGENDA # R-4 DATE 6/23/16

MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 06/23/16

Agenda Item #: R.4

Est. Start Time: 10:25 a.m.

Date Submitted: 06/08/16

Agenda Title: BUDGET MODIFICATION # HD-36-16: Request approval to appropriate \$5,000,000 in Multnomah Mental Health Fund Beginning Working Capital

Requested Meeting Date: June 16, 2016

Time Needed: 10 Minutes

Department: 40 - Health Department

Division: Mental Health and Addiction
Services Division

Contact(s): Robert Stoll, Budget and Finance Manager

Phone: 503-988-8445

Ext. 88445

I/O Address 167/2/210

Presenter Name(s) & Title(s): Wendy Lear, Health Department Deputy Director

General Information

1. What action are you requesting from the Board?

Approval to appropriate \$5,000,000 in Multnomah Mental Health Fund Beginning Working Capital (BWC) from contingency.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

The Mental Health and Addiction Services Division (MHASD) is requesting an increase of the Multnomah Mental Health fund appropriation in the amount of \$5,000,000 for the FY 2016. This budget modification provides budget authority to expend the projected operating expenses, ensuring MHASD continues to fund the delivery of mental health and addiction services to HealthShare of Oregon members without interruption.

This modification corrects two budgetary issues. First the FY2016 budget overestimated the budget for the State Mental Health grant which resides in the Federal/State fund and underestimated the budget for Medicaid services in the Multnomah Mental Health fund. In addition, in the fall of 2015 Health Share of Oregon retroactively reduces rates. This budget modification recognizes that in light of the rate cut, committed expenses exceed available revenue, requiring the one-time-use of Beginning Working Capital.

3. Explain the fiscal impact (current year and ongoing).

Approval of this budget modification will increase the Health Department's federal/state FY 2016 budget by \$5,000,000.

4. Explain any legal and/or policy issues involved.

Without this budget modification the Health Department would likely violate Oregon Budget Law by exceeding the legal appropriation in the Multnomah Mental Health Fund. This budget modification is necessary to keep this violation from occurring.

5. Explain any citizen or other government participation.

N/A

Budget Modification

6. What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).

The Health Department's Multnomah Mental Health Fund budget will increase by \$5,000,000 in FY 2016. There is no CFDA number associated with this revenue.

7. What budgets are increased/decreased?

The Health Department's budget will have the following changes:

- * Pass-Thru and Program Support budget will increase by \$4,575,403
- * Central Indirect budget will increase by \$123,993
- * Department Indirect budget will increase by \$300,604

8. What do the changes accomplish?

These changes will help the Health Department avoid a likely violation of Oregon Budget law by increasing budget authority to accommodate estimated operating expenses.

9. Do any personnel actions result from this budget modification?

There are no personnel actions associated with this budget modification.

10. If a grant, is 100% of the central and department indirect recovered? If not, please explain why.

All indirect costs are recovered from Multnomah Mental Health Fund revenues.

11. Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?

This revenue is a one-time-only use of beginning working capital funds currently held in contingency.

12. If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (e.g. cash match, in kind match, reporting requirements, etc)?

This budget modification is not grant related.

Required Signature

**Elected Official or
Dept. Director:** Joanne Fuller /s/

Date: June 8, 2016

Budget Analyst: Jeff Renfro /s/

Date: June 8, 2016

Department HR: N/A

Date: N/A

Countywide HR: N/A

Date: N/A

Exp/Rev/FTE - Budget Modification

Budget Year: 2016

Budget Modification: HD-36-16

Expenditures & Revenues

An increase in revenue is shown as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Program Offer Number	Fund Code	Fund Center	Func. Area	Cost Object	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal
1	40043-16	1000	40-90	0030	409001	50370 - Dept Indirect Rev	(9,818,737)	(10,119,341)	(300,604)	
2	40043-16	1000	40-90	0030	409001	60100 - Temporary	646,637	947,241	300,604	
1000 Total										0
40-90 Total										0
Program Offer Number 40043-16 Total										0
3	40076-16	3002	40-10	0520	41523-00-3002-BWC1	50000 - Beg Working Capital	0	(4,409,625)	(4,409,625)	
4	40076-16	3002	40-10	0520	41523-00-3002-BWC1	60160 - Pass-Thru & Pgm Supt	0	4,035,162	4,035,162	
5	40076-16	3002	40-10	0520	41523-00-3002-BWC1	60350 - Central Indirect	0	109,353	109,353	
6	40076-16	3002	40-10	0520	41523-00-3002-BWC1	60355 - Dept Indirect	0	265,110	265,110	
7	40076-16	3002	40-10	0520	41523-00-3002-BWC2	50000 - Beg Working Capital	0	(590,375)	(590,375)	
8	40076-16	3002	40-10	0520	41523-00-3002-BWC2	60160 - Pass-Thru & Pgm Supt	0	540,240	540,240	
9	40076-16	3002	40-10	0520	41523-00-3002-BWC2	60350 - Central Indirect	0	14,641	14,641	
10	40076-16	3002	40-10	0520	41523-00-3002-BWC2	60355 - Dept Indirect	0	35,494	35,494	
3002 Total										0
40-10 Total										0
Program Offer Number 40076-16 Total										0
11	95000-16	1000	19	0020	9500001000	60470 - Contingency	9,611,148	9,735,142	123,994	
1000 Total										123,994
12	95000-16	3002	19	0520	9500003002	60470 - Contingency	22,995,375	17,995,375	(5,000,000)	
3002 Total										(5,000,000)

Exp/Rev/FTE - Budget Modification

Budget Year: 2016

Budget Modification: HD-36-16

Annualized Personnel Changes

Change is shown on a full year basis even though this action affects only a part of the fiscal year (FY).

No positions were affected by this Budget Modification.

Current Year Personnel Changes

Cost/savings that will take place in this FY; these explain the actual dollar amounts being changed by this BudMod.

No positions were affected by this Budget Modification.



Department of County Management
MULTNOMAH COUNTY OREGON

Budget Office

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TO: Board of County Commissioners

FROM: Jeff Renfro

DATE: June 8, 2016

SUBJECT: Behavioral Health Managed Care Fund Contingency request to appropriate \$5,000,000. (Budget Modification HD-36-16)

The Health department is requesting permission to appropriate \$5,000,000 in the Behavioral Health Managed Care Fund contingency to cover projected operating expenses. Without this appropriation, the fund may exceed its approved appropriation level.

FY 2016 expenditures have been greater than expected due in part to an error in budgeting Medicaid contracts. Contracts with community providers were erroneously budgeted against the State Mental Health Grant in the Fed/State Fund rather than the Behavioral Health Managed Care Fund. As a result, expenditures may exceed appropriation in the Behavioral Health Managed Care Fund.

As of April 30th, 2016 (the end of FY 2016 Period 10), the remaining fund balance was \$14,541,030. If this request is approved, the balance will be reduced by \$5,000,000 for a new total of \$9,541,030. It should be noted that the monthly net change in the fund balance varies by month, but the overall trend is negative due in part to the ongoing impact of the retroactive Health Share of Oregon per-member-per-month rate reduction. In the last two months of FY 2015, the fund lost just over \$6 million. If May and June of FY 2016 match May and June of FY 2015, the end of year fund balance would be approximately \$4 million. Health estimates that actuals in May and June of FY 2016 will come in such that the fund will end the year with a balance of \$6.1 million.

Contingency Policy Compliance

While contingency requests for the Behavioral Health Managed Care Fund are not explicitly required to follow Board Guidelines for General Fund Contingency requests, the following responses address those guidelines for this action.

In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.
This contingency request is OTO, in response to unexpected expenditures.
- Criteria 2 addresses emergencies and unanticipated situations.
Expenditures in this fund were greater than anticipated.
- Criteria 3 addresses items identified in Board Budget Notes.
This item was not identified in a specific Budget Note.