



Department of County Management
MULTNOMAH COUNTY OREGON

Budget Office

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TO: Board of County Commissioners

FROM: Jeff Renfro, Principal Budget Analyst

DATE: May 31, 2017

SUBJECT: General Fund Contingency request for \$327,532 to cover pass-through payments in Behavioral Health Crisis Services. (Budget Modification HD-45-17)

The Health Department is requesting \$327,532 of General Fund contingency to fund pass-through payments in the Behavioral Health Crisis Services program.

The contingency funds are being requested to fill funding gaps in the crisis system. Revenues will be used as pass-through payments to contractors operating the call center, crisis wrap-around services, and assessment and treatment centers. Expenses have run higher than revenues during the fiscal year and have left the Health Department in danger of having a negative year-end balance in the crisis system. The Health Department intends to undergo a new procurement process for crisis services in FY 2018 to right-size the system to the level of expected revenue going forward.

An FY 2017 budget note set aside \$629,532 in contingency to continue funding for behavioral health crisis services in the event that there were problems with the Unity Center. As of May 31, 2017, the Health Department does not anticipate requesting funds for the original purpose. This contingency request would use the balance of this earmark.

Note that there are two other forthcoming contingency requests from the Health Department and Department of County Assets in the amount of \$1,597,250. If approved, the total for all 3 requests is \$1,924,782 and will bring the contingency balance to negative \$32,485. The BIT reserve is also budgeted in contingency and will be used to fund the difference. The \$32,485 represents less than 1% of the BIT reserve and will not impact the BIT reserve for FY 2018.

Contingency Policy Compliance

The Budget Office is required to inform the Board if contingency requests submitted for approval satisfy the guidelines for using the General Fund Contingency.

In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.
This contingency request is OTO.
- Criteria 2 addresses emergencies and unanticipated situations.
The issue was not anticipated.
- Criteria 3 addresses items identified in Board Budget Notes.
This issue was unanticipated and not identified in a Board Budget Note.