



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST CONTINGENCY REQUEST

(Revised: 9/23/13)

Board Clerk Use Only

Meeting Date: 11/7/13
Agenda Item #: R.3
Est. Start Time: 10:35 am
Date Submitted: 10/30/13

**BUDGET MODIFICATION # Countywide-2 Implementing the Countywide
Agenda Impacts of Federal and State Funding Adjustments and Appropriating One-
Title: Time-Only (OTO) General Fund Contingency.**

Note: If not a Contingency BudMod, use APR_BudMod form. Title should not be more than 2 lines but sufficient to describe the action requested.

Requested Meeting Date: November 7, 2013 **Time Needed:** 30 Minutes
Department: County Management **Division:** Budget Office
Contact(s): Karyne Kieta, Budget Director
Phone: 503.988.7968 **Ext.** 87968 **I/O Address:** 503/531

Presenter Name(s) & Title(s): Karyne Kieta and Michael Jaspin

General Information

1. What action are you requesting from the Board?

The Board is being asked to take two separate actions:

1. Finalization of countywide Federal and State budget reductions totaling \$3.1 million in the Federal/State Fund; and
2. Mitigation and backfilling of some critical countywide Federal and State reductions with one-time-only General Fund contingency.

Action #1

Finalization of countywide Federal and State budget reductions totaling \$3.1 million in the Federal/State Fund in the following departments:

Health Dept. (HD)	(256,919)
County Human Services (DCHS)	(2,226,420)
Community Justice (DCJ)	(554,352)
Sheriff's Office (MCSO)	(67,053)
Total Reductions	(3,104,744)

Action #2

Additionally, the Board is being asked to review and provide \$744,887 of one-time-only General Fund contingency to backfill or help mitigate Federal and State reductions in the following areas:

• Adult Re-entry and Enhancement Coordination (DCJ – 50036)	\$312,993
• ADS Access & Early Intervention Services (DCHS – 25020A)	\$198,086
• ADS Access & Early Intervention Services (DCHS – 25020A)	\$ 31,289
• Emergency Preparedness (HD – 40005)	\$ 37,935
• Early Childhood Services-Healthy Birth Initiative (HD – 40013B)	\$ 30,836
• Women, Infants and Children WIC Program (HD – 40018)	<u>\$133,748</u>
Total GF Contingency	\$744,887

The following reductions are not included in the Midyear Rebalance. As discussed in the previous worksession, these program reductions will be mitigated with either the use of beginning working capital or additional revenues. The departments will return to the Board in the future with budget modifications as the resources become available:

County Human Services – Beginning Working Capital:

- Developmental Disabilities Local Administration: \$201,817 (2.56 FTE)
- Development Disabilities Case Management: \$125,319 (1.46 FTE)
- Developmental Disabilities Abuse Investigations: \$25,751 (0.27 FTE)
- Mental Health Behavioral Health: \$179,255 (0.00 FTE)

Department of Community Justice: Increased funding from Title IVe

- Juvenile Services Division: \$48,115
- Family Court Services: \$14,458

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 Federal and State governments are facing many funding challenges due to the current economic climate. The State concluded its budget process after the County adopted its FY 2014 budget. Through the summer and into this fall, the County was still learning about the State adjustments to balance the budget for the 2013-2015 biennium. Additionally, we continue to receive data regarding Federal impacts. During the adoption of the FY 2014 budget the Board of County Commissioners set aside \$1.0 million of one-time-only General Fund to help address this uncertainty.

We now have better information about the impact to our budget and service delivery. The affected departments include:

- Department of Community Justice (DCJ)
- Sheriff's Office (MCSO)
- Department of County Human Services (DCHS)
- Health Department (HD)

The Board held two worksessions on October 17th and October 22nd to discuss and review the Federal and State impacts and evaluate potential areas for needed backfill.

This action is necessary to finalize the Federal and State budget reductions and provide General Fund contingency to specific areas.

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

Countywide reductions total \$3.1 million. Those reductions are anticipated to be ongoing. Additionally, \$744,887 of one-time-only General Fund was requested through the end of FY 2014 to maintain services. The General Fund will not be available in FY 2015; therefore, departments will need to reevaluate services and funding to prioritize and determine if these programs will fit within their existing funding.

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

All General Fund contingency transfers should be informed by the FY 2014 [Multnomah County Financial and Budget Policies](#).

5. Explain any citizen and/or other government participation that has or will take place.

The Board of County Commissioners held two public worksessions on this topic.

Budget Modification

If the request is a Budget Modification, please answer all of the following in detail:

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

N/A

- **What budgets are increased/decreased?**

- Federal/State Fund revenues and expenditures are decreased by \$3.1 million
- Risk Fund revenues and expenditures are decreased by \$65,299
- General Fund Central Indirect revenues and expenditures are decreased by \$16,974
- General Fund Contingency is decreased by \$744,887 and departmental appropriations are increased by a like amount.

- **What do the changes accomplish?**

Finalizing the Federal and State midyear impacts for FY 2014.

- **Do any personnel actions result from this budget modification? Explain.**

Personnel reductions are restored through the increased General Fund contingency and other mitigation strategies.

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

N/A

- **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?**

The General Fund will not be available in FY 2015; therefore, departments will need to reevaluate services and funding to prioritize and determine if these programs will fit within their existing funding.

- **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 (i.e. cash match, in kind match, reporting requirements etc)?**

N/A

Contingency Request

If the request is a **Contingency Request**, please answer **all** of the following in detail:

- **Why was the expenditure not included in the annual budget process?**

These programs were included in the annual budget process. During the adoption of the FY 2014 budget the Board of County Commissioners set aside \$1.0 million of one-time-only General Fund to help address the uncertainty around the Federal and State budgets.

- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**

Departments discussed their mitigation strategies and operational choices with the Board during two worksessions (October 17th and October 22nd) prior to making the General Fund contingency request.

- **Why are no other department/agency fund sources available?**

All other programs are funded and operating for the fiscal year.

- **Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account. What are the plans for future ongoing funding?**

N/A

- **Has this request been made before? When? What was the outcome?**

No

NOTE: Attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet. For General Fund Contingency Requests, a memo from the Budget Office must be submitted.

Required Signatures

**Elected Official
or Dept Director:**

_____ **Date:** _____

Budget Analyst:

_____ **Date:** _____

Department HR:

_____ **Date:** _____

Countywide HR:

_____ **Date:** _____

Note: Please submit electronically. Insert names of your approvers followed by /s/ - we no longer use actual signatures. Please date each signature. Use "n/a" when signature not applicable."