



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST

(Revised: 6/9/2014)

Board Clerk Use Only

Meeting Date: _____
Agenda Item #: _____
Est. Start Time: _____
Date Submitted: _____

Agenda Title: FY 2016 Supplemental Budget Modification #1 to Appropriate Beginning Working Capital and Adjust Various Other Funds

Note: Title should not be more than 2 lines but sufficient to describe the action requested. Title on APR must match title on Ordinance, Resolution, Order or Proclamation.

Requested Meeting Date: December 17, 2015 **Time Needed:** 15 minutes
Department: Dept. of County Management **Division:** Budget
Contact(s): Christian Elkin, Michael Jaspin Interim Budget Director, Lisa Whedon, DCA
Phone: 503-988-3312 **Ext.** 87689 **I/O Address:** 503/531
Presenter Name(s) & Title(s): Christian Elkin, Principal Budget Analyst

General Information

1. What action are you requesting from the Board?

The Budget Office requests approval of Supplemental Budget #1 to appropriate \$1,956,342 in unplanned beginning working capital, intergovernmental, property tax and service reimbursement revenues and to make various fund adjustments to ensure the County's compliance with Oregon Budget Law.

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.

A supplemental budget is the vehicle allowed by ORS Chapter 294 (commonly known as "Oregon Budget Law") for the Board to address changes in financial conditions not anticipated at the time the budget was adopted. This supplemental budget addresses both the unplanned beginning working capital and makes a variety of other fund level adjustments.

Appropriating Beginning Working Capital

Beginning Working Capital (BWC) represents the difference between revenues and expenditures in a fiscal year. When added to the following year's budget, BWC becomes a one-time resource for County programs. The FY 2016 Adopted Budget included *estimated* BWC, but there was a difference between the amount that was budgeted and the amount that remained at year-end. Total BWC being added is \$1,436,685 in the following funds:

Fund	FY 2016 BWC
Federal/State Program Fund	355,346
Justice Services Special Ops Fund	32,592
Library Capital Construction Fund	247,574
Information Technology Fund	801,173
Total Beginning Working Capital	1,436,685

Federal/State Fund 1505

- \$180,675 of Ryan White Part A grant funds in the Health Department (to support the HIV Clinic (40012A). Funds will be used to provide outpatient medical care, case management, health education, and HIV prevention and risk reduction support through the use of temporary/on-call or limited duration staff. The beginning working capital is expected to be one-time only. If there are any on-going expenses, they will be funded within existing department resources.
- \$73,674 of SB 1145 funds in the Local Public Safety Coordinating Council (10009A) to continue funding for a 1.00 Limited Duration Project Manager. This position is focused on public safety planning projects for the Multnomah County Justice Reinvestment Project.
- \$100,997 of Center for Medicare and Medicaid Services (CMS) funding in the Department of County Human Services Aging, Disability and Veterans Services Division Access & Early Intervention Services (25020A). Funding will provide for community based care transition services. Transition services support Medicare beneficiaries who are discharging from the hospital back to the community to avoid unnecessary re-hospitalizations, using an evidence-based model that helps patients to manage their own health care and work more effectively with their health care providers. This regional project has shown significant positive outcomes for participants, reducing unnecessary re-hospitalizations by over 51% for individuals who received the service. This funding would allow the program to serve an additional 450 individuals served by seven half-time on-call Case Manager 2 positions.

Justice Services Special Operations Fund - \$32,592 in the Sheriff's Office for the Alarm Ordinance Unit (60069). Any surplus from the previous year is to be returned to each jurisdiction proportionate to the percentage of permit holders within each respective jurisdiction. This funding is a 100% pass thru payment to other jurisdictions.

Library Capital Construction Fund 2506- \$247,574 in the Department of County Assets (78017) for the following projects at various Library branches.

Interior Painting	Belmont Library
Carpet Replacement	Central Library

Storefront Doors Replacement	Midland Library
Reconfigure various libraries	Multiple Sites
Security Upgrades	Holgate Library

Information Technology Fund 3503 - \$801,173 in the Department of County Assets

- \$600,000 IT Desktop/PC Replacements (78027) - The funds are available because the FY 2015 schedule was delayed by a staffing constraint in the Desktop Team, while they completed the Windows 7 project and provided support for increased County departmental moves. The funds are needed to keep equipment updated and supported, as well as reduce customer PC problems in FY 2016. The impact on the timeline and cost of operations that appropriation of the requested capital will resolve is continued desktop device replacement that will minimize customer issues from PC problems. Older machines reduce productivity and they tend to fail more, resulting in customer downtime. As such, IT will be adding 2.00 LDA positions to address the backlog of PC replacements.
- \$88,720 to enhance eligibility file interfaces for behavioral health and dashboard reporting capabilities. Funds will support incremental staffing and software related expenses (78020A).
- \$80,663 to replace multi-function devices (copier/printer/scanner) and upgrades to hardware for compatibility (78027).
- \$28,502 to increase capacity and redundancy for remote access to systems and applications and increasing network capacity and redundancy. A recent Continuity of Operations Planning (COOP) exercise and an actual outage of multiple buildings identified the need for increased IT capacity for mobility and remote access to applications from alternate work sites (78019).
- \$3,288 for final vendor billings for the replacement of the restaurant health inspection software project (78020A).

In addition to appropriating the BWC, this supplemental budget also adjust various funds to ensure compliance with Oregon Budget Law and align the budget with actual revenues and expenditures.

Oregon Historical Society Levy Fund 1518

The Oregon Historical Society (OHS) is a private non-for-profit entity founded in 1898 that operates the Oregon Historical Museum, the Davies Family Research Library, and educational programs for adults, families, and school groups. It also serves as the Multnomah County history repository. Measure 26-118 provides the Oregon Historical Society (OHS) with a 5 year property tax levy at the rate of \$0.05 per thousand dollars of assessed value.

Property taxes are anticipated to increase in FY 2016 resulting in higher tax revenue collected in the OHS Special Levy Fund. The additional revenue will be passed through to the OHS. Based on current estimates the fund will increase by \$300,000. One hundred percent of these increases are passed through to the Oregon Historical Society for operations.

Federal/State Fund 1505

Intergovernmental revenue increase by \$117,579 in the Department of Community Justice for unspent Measure 57 (RAIN) revenue received in the 2013-2015 State biennium. The funds will be used to increase existing Alcohol and Drug Outpatient Treatment Services (50030). Measure 57 RAIN is a State Department of Corrections (DOC) funding stream aimed at reducing prison sentencing and repurposing resources to transitioning offenders into the community. The additional funds purchase contracted services for 651 bed days of residential treatment and follow-up services to all clients after completing treatment. This is a one-time addition of revenue that will be spent by June 30th, 2016.

Service Reimbursement revenues increases by \$36,587 in the General Fund from the recovery of indirect costs and \$65,491 in the Risk Fund from budgeted insurance amounts budgeted.

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

Adding BWC: There is an increase in one-time revenues and expenditures of \$1,436,685 in the Federal/State Fund (1505), the Justice Services Special Operations Fund (1516), the Library Capital Construction Fund, and the Information Technology Fund. Once the funds are expended, services will return to their original level.

Adjustments to Various Funds – in addition to appropriating BWC, this action affects four funds as detailed above. The Federal/State Funding supports A&D Outpatient Treatment in the Department of Community Justice The increases in the General Fund and Risk Fund are due to service reimbursement increases. The increases for the Oregon Historical Society allow the County to pass through 100% of the funding without overspending the appropriation.

For additional detail please see supporting documents: SUPP01-NOND-01-16, SUPP01-DCHS-01-16, SUPP01-MCSO-01-16, SUPP01-DCA-01 and 02-16, SUPP01-HD-01-16, and SUPP01-DCJ-01-16.

The following table summarizes the changes by fund.

Fund Name	Fund	Change
General Fund	1000	36,587
Federal/State Program Fund	1505	472,925
Justice Services Special Ops Fund	1516	32,592
Oregon Historical Society Levy Fund	1518	300,000
Library Capital Construction Fund	2506	247,574
Risk Management Fund	3500	65,491
Information Technology Fund	3503	801,173
Total		1,956,342

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

It is especially important to account for and spend any BWC associated with grant funds, as County Financial Policies state a preference for spending grant funds prior to spending unrestricted resources on the same programs.

These actions allow the County to comply with our intergovernmental agreements and avoid violating Oregon Budget Law.

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

This supplemental budget modification was noticed in the *Oregonian* on December 2, 2015. This met the notification requirements per Oregon budget law of appearing in the *Oregonian* at least 5 days before, but not more than 30 days before this hearing.

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).**

Beginning Working Capital is increasing by \$1,436,685 to appropriate unbudgeted amounts in FY 2016.

Property Tax revenue is increasing by \$300,000 in the Oregon Historical Society Levy Fund.

Intergovernmental revenue is increasing by \$117,579 in the Federal/State Fund.

Service Reimbursement revenue is increasing by \$36,587 in the General Fund from Central and Department indirect. It is also increasing by \$65,491 in the Risk Fund from personnel insurance budget adjustments.

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

Below is a table showing the increases and decreases in budget by Program Offer:

Dept Name	Program	Program Name	FY 2016 Change
Nondepartmental	10009A	Local Public Safety Coordinating Council	73,674
Nondepartmental	10023	OHS Local Option Levy	300,000
County Human Services	25000A	Director's Office	4,275
County Human Services	25020A	ADVSD Access & Early Intervention Services	100,997
Health Department	40012A	Services for Persons Living with HIV	180,675
Health Department	40043	Health Department Operations	10,862
Community Justice	50001	DCJ Business Services	8,967
Community Justice	50030	Adult Property Crimes Programs (RAIN & START)	117,579
Sheriff	60010	MCSO Business Services Admin	1,771
Sheriff	60069	MCSO Alarm Program	32,592
County Management	72020	Central HR Employee Benefits	65,491
County Assets	78017	Library Construction Fund	247,574
County Assets	78019	IT Continuity of Operations	28,502
County Assets	78020A	IT Innovation & Investment Projects	92,008
County Assets	78027	IT Asset Replacement	680,663
Overall County	95000	Fund Level Transactions	10,712
Total Change			1,956,342

- **What do the changes accomplish?**

The changes appropriate unbudgeted BWC in FY 2016 and brings the County into compliance with Oregon Budget Law

- **Do any personnel actions result from this budget modification? Explain.**
There are no FTE changes, but there is \$493,777 budgeted in personnel costs for temporary staff costs.
- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**
Indirect is recovered where applicable.
- **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 Beginning Working Capital is one-time-only funding. The functions that it funds are not identified as ongoing.

Changes in the property tax revenue for the Oregon Historical Society Levy will be analyzed annually to determine the appropriate funding levels. These funds are pass through funds and have no direct impact to County operations.

- **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

Required Signature

Elected Official or Dept Director:	Marissa Madrigal /s/	Date:	12/10/15
	Christian Elkin /s/	Date:	12/10/15
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 insert date approved.