



**Multnomah County
Agenda Placement Request
Budget Modification**

(Revised 9/23/13)

Contingency Request

**APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS**
AGENDA # R.6 DATE 6/15/17
MARINA BAKER, ASST BOARD CLERK

Board Clerk Use Only

Meeting Date: 6/15/17
Agenda Item #: R.6
Est. Start Time: 10:30 am approx
Date Submitted: 5/30/17

Agenda Title: BUDGET MODIFICATION # HD-45-17: Requesting General Fund contingency transfer to appropriate \$327,532

Requested Meeting Date: June 15, 2017 **Time Needed:** 5 Minutes

Department: 40 - Health Department **Division:** Mental Health & Addiction Services

Contact(s): Angel Landrón-González- Health Budget & Finance Manager

Phone: 503-988-7438 **Ext.** 87438 **I/O Address** 167/2/210

Presenter Name(s) & Title(s): Neal Rotman, Senior Manager, MHASD

General Information

1. What action are you requesting from the Board?

Approval to appropriate \$327,532 in General Fund contingency revenue for the Behavioral Health Crisis Services program.

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.

In the FY2017 Adopted Budget, the Board of County Commissioners placed in contingency \$629,532 in General Fund for the Behavioral Health Crisis system. The contingency was set aside to provide a bridge in crisis service funding until the impact of the Unity Center was fully realized. \$302,000 has already been transferred to the Health Department to cover the increased salary cost for crisis response teams at Cascadia.

This change will impact program offer 40069: Behavioral Health Crisis Services.

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

This change will increase the Health Department General Fund budget in FY17 by \$327,532.

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

N/A

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).

County contingency funds will be transferred to the Health Department which will increase the department's FY 2017 general fund by \$327,532. Funds will be used to support the Behavioral Health Crisis Services program.

7. What budgets are increased/decreased?

The Health Department's pass-through budget will increase by \$327,532.

8. What do the changes accomplish?

Prevents the MHASD crisis system from overspending their budget appropriation.

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

N/A

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

N/A

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 contingency transfer action is one-time-only.

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)?

N/A

For Contingency Requests Only:

13. Why was the expenditure not included in the annual budget process?

The Crisis system (e.g. Call Center, Crisis Response Services) is funded with a mixture of State, County, and Medicaid funding. As Medicaid membership and revenue in the Multnomah County Mental Health Fund declines, there is less funding for the Crisis system.

The crisis call center, crisis wrap around, and assessment and treatment center are all funded with a mixture of Medicaid and County General Fund. This contingency request will fill the holes in the budget caused by declining Medicaid revenue. Swapping Medicaid for CGF in the Cascadia and Telecare contracts. There will be no net dollar change to those agreements.

14. What efforts have been made to identify funds from other sources within the department/agency to cover this expenditure?

We continue to spend available State, Federal, and Medicaid funds first, but those sources have continued decline.

15. Why are no other department/agency fund sources available?

Medicaid revenue is declining statewide, and other federal and state funding for mental health are decline too.

16. 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?

The Health Department will do a new procurement for crisis services in FY18 to right-size the system to available revenue.

17. Has this request been made before? When? What was the outcome?

No.

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense and Revenues Worksheet and/or a Budget Modification Personnel Worksheet

Required Signature

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

Date: May 30, 2017

Budget Analyst: Jeff Renfro /s/

Date: May 31, 2017

Department HR: -n/a

Date: -n/a

Countywide HR: -n/a

Date: -n/a

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: HD-45-17

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 | 40069-17 | 1000 | | | 41504-GF | 60160 - Pass-Thru & Pgm Supt | 906,998 | 1,234,530 | 327,532 | |
| 1000 Total | | | | | | | | | | 327,532 |
| Total | | | | | | | | | | 327,532 |
| Program Offer Number 40069-17 Total | | | | | | | | | | 327,532 |
| 2 | 95000-17 | 1000 | | | 9500001000 | 60470 - Contingency | 10,783,642 | 10,456,110 | (327,532) | |
| 1000 Total | | | | | | | | | | (327,532) |
| Total | | | | | | | | | | (327,532) |
| Program Offer Number 95000-17 Total | | | | | | | | | | (327,532) |

Exp/Rev/FTE - Budget Modification

Budget Year: 2017

Budget Modification: HD-45-17

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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(503) 988-5170 TDD

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.