

Health and Human Services Agency

RECOMMENDED BUDGET • FY 2021-22

MISSION

The Health and Human Services Agency (HHS) is a Department of El Dorado County that partners with the community on health and welfare issues. The Agency mission is, with integrity and respect, to provide effective, efficient, collaborative services that strengthen, empower, and protect individuals, families and communities, thereby enhancing their quality of life.

AGENCY PROGRAM SUMMARY

	Appropriations	Revenues	Total General Fund Support	Staffing
Administration	\$ 3,903,145	\$ 3,702,148	\$ 200,997	61.50
Social Services	\$ 65,118,989	\$ 62,162,903	\$ 2,956,086	273.15
Community Services	\$ 22,696,263	\$ 22,696,263	\$ 3,154,017	60.08
Behavioral Health	\$ 42,616,909	\$ 42,616,909	\$ 16,510	112.05
Public Health	\$ 29,478,289	\$ 29,478,289	\$ 5,090,835	63.35
Animal Services	\$ 3,900,189	\$ 1,770,034	\$ 2,130,155	20.10
Public Guardian	\$ 2,128,872	\$ 244,000	\$ 1,884,872	12.00
Veteran Affairs	\$ 706,300	\$ 118,299	\$ 588,001	6.10
Total	\$ 170,548,956	\$ 162,788,845	\$ 16,021,473	608.33

General Fund Budget Request

	FY 2020-21 Adopted Budget	FY 2021-22 Recommended Budget	Increase/ (Decrease)
Administration	\$ 276,158	\$ 200,997	\$ (75,161)
Social Services	\$ 2,956,219	\$ 2,956,086	\$ (133)
Community Services	\$ 2,556,963	\$ 3,154,017	\$ 597,054
Behavioral Health	\$ 16,510	\$ 16,510	\$ -
Public Health	\$ 4,707,847	\$ 5,090,835	\$ 382,988
Animal Services	\$ 2,087,060	\$ 2,130,155	\$ 43,095
Public Guardian	\$ 1,704,027	\$ 1,884,872	\$ 180,845
Veteran Affairs	\$ 637,499	\$ 588,001	\$ (49,498)
Total	\$ 14,942,283	\$ 16,021,473	\$ 1,079,190

AGENCYWIDE PENDING ISSUES

Coronavirus Pandemic

The coronavirus pandemic has had a profound impact on HHS's ability to provide services and support to the community. It has had a similar impact on both the need for and expenditure of Realignment funding, making the projection of future needs and outcomes much more difficult to forecast. The continuing nature of this public health emergency brings with it significant unknowns in the area of future pandemic related expenditures and available federal and state relief. As an example, as federal and state governments begin to update guidelines, safety protocols, and program requirements to ensure client safety and well-being, HHS

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awaits final program guidance that may ultimately require additional expenses for meeting new program requirements. With the arrival of the American Rescue Plan Funding, HHSA is hopeful that Program Reserves can be established to reduce any future budgetary pressures that come specifically from updated federal and state program requirements that must be enacted. For example, operating Senior Day Care, Congregate Meals, or other Older Adult Services programs is expected to require new facility and/or program safety measures in order to meet State requirements for serving this population. At this time, no final guidelines have been released for most programs, and therefore these potential future costs cannot be fully anticipated.

Realignment Funded Programs

1991 Realignment revenues fund the County's share of cost for realigned programs in three different HHSA areas: Public Health, Behavioral Health, and Social Services. 2011 Realignment revenues fund the County's share of cost for realigned programs in two different areas: Behavioral Health and Protective Services. For many years, HHSA has discussed with the Board the challenges of funding these mandated programs with Realignment revenues that are impacted by economic conditions. As reported to the Board with the FY 2020-21 Mid-Year Budget Report, Behavioral Health was projecting a \$1.3 million revenue shortfall in FY 2020-21 primarily due to the underutilization of Substance Use Disorder Services and overutilization of Administrative Days at the Psychiatric Health Facility.

California State 1991 and 2011 realignment legislation allows for a 10% transfer between the Public Health, Social Services and Behavioral Health realignment funds to allow counties funding flexibility for mandated services and operations. On May 4, 2021, the Board approved a 10% transfer of 1991 Realignment revenue from Public Health and Social Services to Behavioral Health and a 10% transfer of 2011 Realignment revenue from Social Services to Behavioral Health in FY 2020-21. This transfer resulted in an additional \$1.57 million in revenue for Behavioral Health to address the revenue shortfall.

A number of the circumstances that have led to the current funding challenges will continue to some degree into FY 2021-22. HHSA's FY 2021-22 Recommended Budget includes a second 10% Realignment Transfer of \$1.7 million from Public Health and Social Services to Behavioral Health. The volatility of Realignment funding, as well as the inherent volatility of many of the mandated programs it funds, creates a structural problem that nearly all counties struggle with.

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The budget for the Health and Human Services Agency is recommended at \$170,548,956, which is an increase of \$805,876 (0.5%) when compared to the FY 2020-21 Adopted Budget. The Recommended Budget has \$162.8 million in revenue, and total staffing of 608.33 Full Time Equivalent (FTE) positions. The Recommended Budget includes a 10% transfer of realignment revenue from Public Health and Social Services to Behavioral Health. The FY 2021-22 Recommended Budget includes \$14.3 million in state and federal revenue to be used to prevent and address homelessness in El Dorado County.

The Recommended Budget for HHSA reflects a Net County Cost of \$7.8 million and a General Fund Contribution of \$8.2 million, for a total General Fund support of \$16 million. The change to the HHSA General Fund support request is a net increase of \$1.1 million over the FY 2020-21 Adopted Budget. The net increase in General Fund is primarily related to the increased cost to provide Senior Nutrition Services with modifications required by the coronavirus pandemic in Community Services, the increase to the Jail and Juvenile Hall Medical Services Contract, the County Medical Services Program (CMSP) participation fee of \$233,492 that has not yet been waived, and the increase in General Liability costs for the Public Guardian Department.

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Realignment Transfer

The Chief Administrative Office requested that HHSa explore all options that would allow Behavioral Health to provide current services levels without the 10% transfer of \$1.7 million from Public Health and Social Services to Behavioral Health. HHSa was unable to identify an option that would not increase General Fund support or impact services in time for the Recommended Budget.

The Public Health Department's share of the 10% transfer is \$492,474. It is projected that Public Health will start FY 2021-22 with \$6.5 million in Realignment Fund Balance, using \$1.3 million to fund programming in FY 2021-22. This results in a projected FY 2021-22 year-end Realignment Fund Balance of \$5.2 million in Public Health. The coronavirus pandemic has impacted services in Public Health with an estimated \$2.3 million in additional realignment use in FY 2020-21. It is not fully known how state and federal relief will offset realignment funded Public Health activities or how much Public Health will have to rely upon Realignment Fund Balance in their continued response to the coronavirus pandemic.

The Social Services Department's share of the transfer is \$1.2 million, which will deplete its Realignment Fund Balance by the end of FY 2021-22. Social Services expenditures can vary greatly year to year due to needs of the community members served. An example of this cost variability is the \$230,000 in increased costs in the Recommended Budget due to a special needs foster care placement. Maintaining Fund Balance in Social Services mitigates the impact to the County of unexpected costs. Without Fund Balance, the County may have to implement service level reductions or provide additional General Fund support for these mandated services.

While funding from the American Rescue Plan and the May Revision to the State Budget may provide some temporary support to the Agency, a long-term plan to address all structural budget deficits that have been identified in the Agency is needed. The Chief Administrative Office has asked that HHSa provide a plan to address the deficits, including a five-year projection of 1991 and 2011 Realignment revenues and expenditures. This plan is to be presented to the Board before the Adopted Budget in September.