



Agenda Submittal

Agenda #: 24 **Status:** Regular Calendar
Type: Report **Department:** Health and Social Services
File #: 18-423 **Contact:** Gerald Huber, 784-8400
Agenda date: 6/12/2018 **Final action:** 6/12/2018
Title: Receive a presentation of Health and Social Services' five year financial forecasts for Mental Health and Health Services

Governing body: Board of Supervisors
District: All
Attachments: 1. Minute Order

Date	Ver.	Action By	Action	Result
6/12/2018	1	Board of Supervisors	Received	

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of Health and Social Services recommends that the Board of Supervisors receive a presentation on the five year financial forecasts for Mental Health and Health Services.

SUMMARY/DISCUSSION:

As part of the Board of Supervisors' continued interest in ensuring services are available to the community, County departments with revenue exposures were asked to prepare five year revenue and expenditure forecasts in anticipation of the programs and services that will be discussed during FY2018/19 Budget Hearings. Mental Health and Health Services have completed their five year financial forecasts and they are included in the attached presentation. The Board received initial In-Home Supportive Services (IHSS) forecasts during the FY2017/18 Budget Hearings and updated forecasts throughout the fiscal year, also summarized in the attached presentation. The five year forecast for Substance Abuse will be completed in June 2018 and a five year forecast for Social Services will be initiated in FY2018/19.

Health and Social Services (H&SS) is a separate fund from the County General Fund and relies primarily on Intergovernmental, 1991 Realignment, 2011 Realignment, Charges for Services, Mental Health Services Act, and County General Fund revenues to operate its six divisions. These funding sources have varying levels of flexibility in terms of allowable expenditures. Additionally, the divisions are financially interconnected through Realignment funding and changes in program requirements in one realigned program can have an impact throughout the department and the County General Fund to the extent that revenue shortfalls are not offset by reductions in expenditures.

Historically, Mental Health funding has been vulnerable to economic downturns and increased demands for funding entitlement programs. Health Services revenues have been impacted by the Affordable Care Act and the rapid, significant increase in capitated patients (Medi-Cal patients assigned to County clinics). Both Mental Health and Health Services revenues are experiencing revenue reductions as a result of the new IHSS Maintenance of Effort and Social Services has had recent reductions in funding allocations from the State for

the CalWORKs and Cal Fresh programs.

FINANCIAL IMPACT:

H&SS is anticipating revenues and expenditures of \$321 million in FY2018/19 to provide programs and services.

ALTERNATIVES:

The Board could choose not to receive this presentation. This is not recommended because the presentation provides an opportunity to update the Board on the fiscal forecast of H&SS, including revenue exposures.

OTHER AGENCY INVOLVEMENT:

The County Administrator Office's has been consulted on this report.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION