

**MONTEREY COUNTY BOARD OF SUPERVISORS
BUDGET COMMITTEE**

MEETING: May 13, 2013	AGENDA NO.:
SUBJECT:	a. Receive a report on the Integrated Behavioral Health Project; b. Support a request to transfer \$2,953,575 from the Mental Health Designated Account (Fund 001-3127) to Behavioral Health (Fund 023-4000-HEA12); c. Support a request to authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations and estimated revenue by \$1,267,929; d. Support a request to authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 023-4000-HEA012) Adopted Budget to increase appropriations and estimated revenue by \$4,221,504; and e. Support a request to authorize the Auditor-Controller to amend the FY 2012-13 Clinic Services (Fund 001-4000-HEA007) Adopted Budget to increase appropriations and estimated revenue by \$578,625.
DEPARTMENT: Health – Behavioral Health Bureau and Clinic Services Bureaus	

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Receive a report on the Integrated Behavioral Health Project;
- b. Support a request to transfer \$2,953,575 from the Mental Health Designated Account (Fund 001-3127) to Behavioral Health (Fund 023-4000-HEA012);
- c. Support a request to authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations and estimated revenue by \$1,267,929;
- d. Support a request to authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 023-4000-HEA012) Adopted Budget to increase appropriations and estimated revenue by \$4,221,504; and
- e. Support a request to authorize the Auditor-Controller to amend the FY 2012-13 Clinic Services (Fund 001-4000-HEA007) Adopted Budget to increase appropriations and estimated revenue by \$578,625.

SUMMARY

This is a request to support funding transfers for the Integrated Behavioral Health (IBH) project and consolidate Behavioral Health (BH) monies to Fund 023 (Behavioral Health). The affected amounts are either behavioral health or primary care monies.

DISCUSSION

The IBH project consists of tenant improvements and renovation to a 23,900 square foot building for the purpose of providing behavioral health and primary care services to County residents. The project is expected to complete in May, 2013. The FY 2012-13 Behavioral Health (Fund 023-4000-HEA012) Adopted Budget includes \$2.6M for the IBH project. Health and Resource Management Agency (RMA) provided reports on the IBH project's unanticipated efficiency opportunities and environmental factors that were identified during the bidding and construction process and resulted

in increased costs. The Capital Improvement Committee (CIC), Budget Committee, and Board of Supervisors were apprised of the increased costs and the Board of Supervisors approved increases in the IBH project's budget on January 29, 2013.

Health does not request authorization to spend additional money on the IBH project, but rather requests support for accounting transfers of mental health and primary care monies into Fund 023 and Fund 001 to cover expenditures incurred for the IBH project.

BH coordinated with the County Administrative Office (CAO) and Auditor-Controller's office to identify \$2,953,575 of mental health specific funding in the Mental Health Designated Account (MHDA). The total amount currently in the MHDA is \$3,409,690. BH requests support to transfer \$2,953,575 of mental health funds from the Mental Health Designated Account (Fund 001-3127) to Behavioral Health (Fund 023-4000-HEA012).

Effective July 1, 2012, BH is in a new fund, Behavioral Health Fund 023. BH is coordinating with the CAO and Auditor-Controller's office to consolidate BH monies from other funds to Fund 023. There is \$1,267,929 in BH Realignment amounts in Fund 022. BH requests support to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations and estimated revenue by \$1,267,929. The increased appropriations are necessary to transfer the monies from Fund 022 to Fund 023. During the FY 2012-13 Requested Budget process, Health did not establish appropriations for this consolidation due to review of appropriate realignment recognition and the uncertainty of the then pending State FY 2012-13 Budget.

In addition to the IBH building, there have been additional unanticipated costs including increased behavioral services in the State Hospital, children's mental health, the homeless population, and integrated care. These increased services to the community are not funded with General Fund dollars. There are sufficient amounts available through unexpended mental health monies in Fund 022 and the MHDA, and cost savings measures.

BH expects to recognize as revenue in Fund 023 the \$1,267,929 from Fund 022 and \$2,953,575 from the MHDA for a total increased expected revenue of \$4,221,504. BH requests support to amend the FY 2012-13 Behavioral Health Adopted Budget to increase both appropriations and estimated revenue by \$4,221,504.

The FY 2012-13 Clinic Services (Fund 001-4000-HEA007) Adopted Budget did not include appropriations or estimated revenues for the IBH project. Clinic Services' share of cost for the project is \$578,625. Therefore, Health requests support for increased appropriations and estimated revenues in that amount. Funds will be transferred from Clinic Services designated account in Fund 001-3120.

OTHER AGENCY INVOLVEMENT:

The Auditor-Controller's Office has reviewed this report.

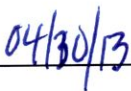
FINANCING:

As detailed above, the recommended actions are financial transfers of BH and Clinic Services monies necessary to both fund the IBH project and consolidate BH monies to Fund 023.

BH requests support to transfer \$2,953,575 from the Mental Health Designated Account (Fund 001-3127) to Behavioral Health (Fund 023-4000-HEA012), authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations and estimated revenue by \$1,267,929, authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 023-4000-HEA012) Adopted Budget to increase appropriations and estimated revenue by \$4,221,504, and authorize the Auditor-Controller to amend the FY 2012-13 Clinic Services (Fund 001-4000-HEA007) Adopted Budget to increase appropriations and estimated revenue by \$578,625 with a transfer of funds from Fund 001-3120.



Ray Bullick, Director of Health



Date