



Board Report

File #: 13-0622, **Version:** 1

- a. Authorize a Transfer of \$3,409,690 from the Mental Health Designated Account (Fund 001-3127) to General Fund Balance (Fund 001-3101);
- b. Authorize a Transfer of \$2,953,575 from Other Financing Uses (Fund 001-1050-CAO017) to Behavioral Health (Fund 023-4000-HEA12);
- c. Authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations by \$1,267,929; and
- d. 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. (ADDED VIA ADDENDUM)

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Authorize a Transfer of \$3,409,690 from the Mental Health Designated Account (Fund 001-3127) to General Fund Balance (Fund 001-3101);
- b. Authorize a Transfer of \$2,953,575 from Other Financing Uses (Fund 001-1050-CAO017) to Behavioral Health (Fund 023-4000-HEA12);
- c. Authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations by \$1,267,929; and
- d. 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.

SUMMARY:

This is a request to authorize funding transfers for the Integrated Behavioral Health (IBH) project and consolidate Behavioral Health (BH) monies to Fund 023 (Behavioral Health). The affected amounts are behavioral health monies. This item was presented and approved at the Budget Committee on May 13, 2013.

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 completed in May, 2013.

The FY 2012-13 Behavioral Health (Fund 023-4000-HEA012) Adopted Budget includes \$2.6M for the IBH project. Unanticipated efficiency opportunities and environmental factors were identified during the bidding and construction process. These items increase the total expected FY 2012-13 costs to \$4.4M.

Resource Management Agency (RMA) and Health provided reports on the IBH project's unanticipated costs to the Capital Improvement Committee (CIC), Budget Committee, and Board of Supervisors. 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 monies into Fund 023 to cover expenditures incurred for the IBH project.

The total amount currently in the Mental Health Designated Account (MHDA) is \$3,409,690. 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 MHDA with the balance remaining undesignated in the General Fund. BH requests authorization 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). The requested accounting transactions, including General Fund Balance (001-3101) and Other Financing Uses (001-1050-CAO017), are necessary to appropriately account for the money transfers.

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 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 \$2,953,575 from the MHDA and the \$1,267,929 from Fund 022 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.

OTHER AGENCY INVOLVEMENT:

The Auditor-Controller's Office and Budget and Analysis Division have reviewed this report.

FINANCING:

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

Authorize a Transfer of \$3,409,690 from the Mental Health Designated Account (Fund 001-3127) to General Fund Balance (Fund 001-3101); Authorize a Transfer of \$2,953,575 from Other Financing Uses (Fund 001-1050-CAO017) to Behavioral Health (Fund 023-4000-HEA12); Authorize the Auditor-Controller to amend the FY 2012-13 Behavioral Health (Fund 022-4000-HEA011) Adopted Budget to increase appropriations by \$1,267,929; and 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.

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