

# Administration and Financial Services

RECOMMENDED BUDGET • FY 2020-21

## MISSION

The County of El Dorado, Health & Human Services Agency (HHS), Administration and Financial Services Department provides administrative and fiscal support to the seven programmatic departments of HHS including Behavioral Health, Public Health, Community Services, Social Services, Animal Services, Public Guardian and Veterans Affairs. The Department's mission is to support programs and community stakeholders by providing financial information in an efficient, collaborative and consistent manner to ensure compliance with government regulation and fiscal accountability.

## DEPARTMENT BUDGET SUMMARY

**DEPT : 50    HHS ADMINISTRATION**

Description	Prior Year Actual	Current Year Adopted	CAO Recommended	Difference from Adopted
Service Charges	4,041,909	5,498,985	3,674,748	(1,824,237)
Miscellaneous Rev	15,000	0	0	0
<b>Total Revenue</b>	<b>4,056,909</b>	<b>5,498,985</b>	<b>3,674,748</b>	<b>(1,824,237)</b>
Salaries & Benefits	6,907,129	7,680,869	7,114,996	(565,873)
Services & Supplies	1,789,404	2,246,634	2,224,956	(21,678)
Serv/Supply Abate	(498,259)	(710,000)	(1,454,183)	(744,183)
Fixed Assets	27,897	0	0	0
Intrafund Transfers	462,350	387,302	555,363	168,061
Intrafund Abatement	(4,787,713)	(6,274,457)	(4,503,445)	1,771,012
<b>Total Appropriations</b>	<b>3,900,809</b>	<b>3,330,348</b>	<b>3,937,687</b>	<b>607,339</b>
<b>FUND 1000 GENERAL FUND TOTAL</b>	<b>(156,099)</b>	<b>(2,168,637)</b>	<b>262,939</b>	<b>2,431,576</b>

## MAJOR BUDGET CHANGES

### Revenue

(\$1,824,237)    Decrease in Charges for Services to other HHS programs based on a lower Indirect Cost Rate (ICR).

### Appropriations

#### *Salaries and Benefits*

(\$532,385)    Net decrease due primarily to transfer of 1.0 FTE Administrative Services Officer (\$160,000) and 1.0 FTE Department Analyst (\$116,000) to the central Human Resources Department, and a shift of 0.9 FTE Deputy Director of Health and Human Services (\$172,000) and .70 FTE Health Program Manager (\$71,000) to Community Service Programs.

(\$33,488)    Decrease in Workers' Compensation premium charge to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

# Health and Human Services Agency

RECOMMENDED BUDGET • FY 2020-21

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## *Services and Supplies*

(\$25,081) General Liability insurance premium charge recommended at \$0 to bring the program funding level to an acceptable confidence level, as provided by the Risk Management Division.

## *Services and Supplies Abatement*

(\$744,183) Decrease due primarily to space costs that were historically paid by Administration now being charged directly to benefiting programs.

## *Intrafund Transfers*

\$168,061 Increase primarily due to an increase in A-87 Cost Allocation Plan charges for support from central service departments (\$181,332), offset by decreases to Building Maintenance (\$11,850) and Stores/Mail Support (\$1,424).

## *Intrafund Abatements*

(\$1,771,012) Decrease primarily in charges (shown as a negative expense) to other programs within HHSa related to lower Indirect Cost Rate (ICR) allocations (\$1,763,641).

## PROGRAM SUMMARY

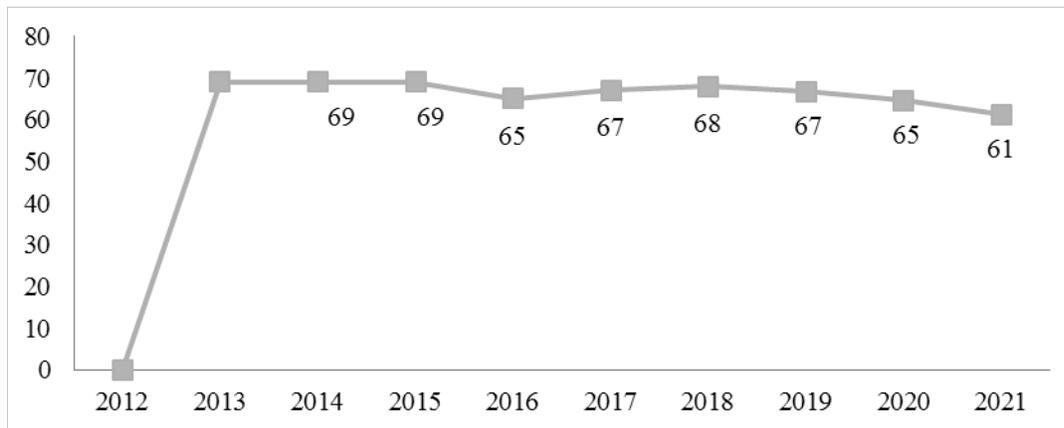
HHSa Administration was created in July 2013 to provide efficiencies in administrative and fiscal support to the various programs in each of the seven programmatic departments of the Agency. The Department provides a wide range of services to the seven program departments, including maintaining and monitoring contracts, providing fiscal and budget support, coordination of facility maintenance, purchasing, billing, payroll, grant reporting, preparing items for submission to the Board of Supervisors, and internal personnel processing. The Department charges programs for use of its services and recovers costs from each of the seven departments of HHSa through an Indirect Cost Rate (ICR).

# Administration and Financial Services

RECOMMENDED BUDGET • FY 2020-21

## STAFFING TREND

Staffing for the Health and Human Services Agency (HHS) Administration and Financial Services Department is recommended at 61.30 FTE. This includes a net decrease of 3.35 FTE when compared to the FY 2019-20 Adopted Budget. In FY 2020-21, 1.0 FTE Administrative Services Officer and 1.0 FTE Department Analyst I/II are recommended to be transferred to the central Human Resources Department, and net 1.35 FTE are transferred to other HHS departments (primarily .80 FTE Deputy Director and .70 FTE Health Program Manager transferred to the Community Services Department for program support).



## RECOMMENDED BUDGET

This Budget is recommended at \$3,937,687, which is an increase of \$607,339 (18.2%) when compared to the FY 2019-20 Adopted Budget.

The General Fund cost for this Department is recommended at \$262,939. Overall, the General Fund cost reflects an increase of \$2,431,576 when compared to the FY 2019-20 Adopted Budget (FY 2019-20 was negative \$2,168,637), due primarily to a decrease in revenue from other HHS programs based on the lower Indirect Cost Rate (ICR). The ICR methodology was changed in FY 2019-20 to be calculated using budgeted costs with a base of budgeted department program salaries instead of using FY 2018-19 actual costs, thereby resulting in a significant reduction to charges to HHS programs.

The timing difference between when costs are incurred and when they are allocated to other HHS departments results in the incoming charges in a given year not exactly offsetting the outgoing allocations. As a result, revenues adjust each year and result in either under or over collection, thereby increasing or decreasing the General Fund cost in the given year. The cumulative overcollection since FY 2013-14 through FY 2020-21 is projected at \$633,720, and is anticipated to be significantly reduced in the next fiscal year based on the calculation methodology.

The increase in General Fund cost is due primarily to lower collection of budgeted revenues compared to the budgeted expenditures for FY 2020-21 in the amount of \$262,939, which results in an increase in General Fund cost of \$2,431,576 from the prior year. The under-collection of revenue will offset with over-collections to programs through a future ICR calculation and application. When using an indirect cost rate methodology, it is anticipated that over a two-year period the costs of the Administration Department will be fully recovered (funded) by the programmatic departments. Although the

# Health and Human Services Agency

## RECOMMENDED BUDGET • FY 2020-21

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Department is budgeting an increase to Net County Cost for FY 2020-21 with a budgeted under collection of revenue of \$262,939, the intent of the ICR is that over time the collections balance to zero.

### CAO Adjustments

No CAO adjustments are recommended.

### Source & Uses of Funds

The Health and Human Services Agency Administration and Financial Services Department was created to provide efficiencies in administrative and fiscal support to all the various programs across the agency. The Department allocates these fiscal and administrative costs to programs within the agency based on direct program salaries. All Administrative Department costs are funded from state, federal, realignment, donations/fees, and General Fund.