



Approved on: June 14, 2017

2017-2018 PROPOSED BUDGET NARRATIVE AND AGENDA SUMMARY

AGENDA DATE: June 14, 2017 AGENDA ITEM: III d

SUBJECT: FY 2017-2018 PROPOSED BUDGET FOR ACTION

BACKGROUND

Annually the Commission is required to adopt a budget for fiscal operations (July 1st to June 30th). The budget is an *estimated* spending plan for the Proposition 10 funds and other revenues such as Mental Health Services Act (MHSA) funding and Medi-Cal Administrative (MAA) funding received by the Plumas County Children and Families Commission. Adoption of a budget is the first step in authorizing expenditures by contractors. Additionally, all Service Agreement Contracts over the amount of \$5,000 must be approved by the Commission before funds can be disbursed. In accordance with the Commission's Budget Authorization policy, the Executive Director may approve contracts up to \$5,000.

Through a Memorandum of Understanding (MOU) with the County of Plumas, for fiscal and other operations support, the Commission's budget is included in the County budget. An approved budget will be submitted to the County on July 1st, which is the filing date for submitting proposed budgets to the Plumas County Auditor. A budget totaling **\$373,519** will be submitted to the Plumas County Auditor's Office in order to meet the deadline. Any changes to the budget approved by the Commission will be incorporated into the County's budget.

To more effectively communicate budgetary information to the public and obtain feedback from stakeholders, in June 2005, the Commission adopted an Annual Budget Package, which includes the following: 1) Line item budget by cost (administrative, program, and evaluation), 2) Breakdown of all professional service agreements, 3) Budget narrative, 4) Annual budget calendar, 5) Multi-year projected budgets, and, 6) Long Range Financial Plan. With the recent changes to the Proposition 10 statute, the Proposed Budget for Fiscal Year 2017-2018 has been developed in accordance with the budget adoption recommendations published in the First 5 Financial Management Guide.

BUDGET NARRATIVE

In accordance with the First 5 Financial Management Guide, the Executive Director developed and submitted a DRAFT Budget by Cost to the Commission in May for an initial review. The

Proposed Budget FY 17-18 meets the following objectives: 1) Provides a “big picture” view of the budget and highlights the most important budgetary information, 2) Effectively communicates budgetary information in a clear and user-friendly format, 3) Presents a projected five-year financial view, 5) Explains the need for reserves and provides a fund balance for each year, and 6) Budgeted amounts are delineated by Cost Categories of, Administration, Program, and Evaluation.

As of June 15, 2011, the Governmental Accounting Standards Board (GASB) Statement No. 54 is required to be implemented by all governmental bodies. The objective of this Statement is to establish fund balance classifications that are based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Fund balance information must be reported by identifying amounts that are considered *non-spendable, restricted, committed, assigned, and unassigned* based on the constraints that control how specific funds can be spent. GASB 54 fund balance classifications will be included as an Action Item with the Projected Budget Expenditure Report by June 30th and the Actual Budget Report in October of each fiscal year.

The FY 2017-18 total Proposed Budget amount is **\$373,519** that is \$3,481 below the projected Proposition 10 revenue FY 17-18. The Proposed Budget includes: 1) Line item operations FY 17-18 delineated by Administration, Program, and Evaluation cost categories, which includes a schedule of PCCFC contracts; 2) Five-year projected financial view, 3) Anticipated Revenues; and 4) Expenditures by categories (Employee Salaries/Benefits, Commission Office, Program Services, and Community Outreach/Training. Additionally, included in the budget package provided to the Commission and the Public includes an Annual Budget Calendar, and Budget Narrative described in this Action Agenda Summary.

The Commission approved a new five-year Strategic Plan in June 2016 for the period of 2016-2021. The 5-year Strategic Plan was approved by the Commission, June 29, 2016, and the corresponding 5-year Spending Plan was also finalized by June 29, 2016 and is updated annually. Home visitation for at-risk families continues as the highest rated service strategy in the newly revised Strategic Plan.

In October of 2011, the Plumas County Public Health Agency was awarded through a Request for Proposals, \$80,000 for intensive home visiting to at-risk families. Twenty-five thousand dollars was awarded to a consultant for early childhood development services who will provide home visiting services to young children served by First 5 Plumas grantees and other partners.

In June 2015, the Board of Supervisors approved a 24.5-month service agreement contract to the Commission in the amount of \$286,000 of Mental Health Services Act funding for an Infant-Early Development Mental Health Program. The Commission in-turn provided the county’s largest non-profit, Plumas Rural Services with a service agreement contract to implement the program. The goal of the program is to sustain community-based home visiting mental health services that are sustainable over the long-term.

Due to a waiting list for mental health services, the Commission requested an additional \$144,683 for an additional 31 hours per week of therapeutic services and 35 hours per week for a

case manager. The total Mental Health Services Act funding for the 24.5-month Infant-Early Development Mental Health Program that has been leveraged is \$430,683. Based on positive evaluation data, it is the intention of the Commission to turn the administration and the implementation of the program over to Plumas Rural Services as of June 30, 2017.

As intended, the Infant Early Development Mental Health program will be transitioned to Plumas Rural Services on July 1, 2017. The final evaluation data and report will be presented to the Commission in October 2017.

Small County Augmentations

On April 24, 2014, First 5 California approved a new funding methodology and accountability framework for the allocation of augmentation funds to 20 small population counties beginning in Fiscal Year (FY) 2014-15 and ending FY 2020-21.

The funding includes a fixed, graduated baseline formula determined by the number of births in each county in 2011. The funding formula qualifies a county for the augmentation if the county's number of births is 1,000 or less. Plumas County First 5 qualifies for a \$350,000 annual baseline amount. The goal of the small population county funding augmentation is to support the success of small counties in their work and to ensure Proposition 10 is truly a statewide effort that impacts the lives of young children throughout California.

Some of the significant features of the 2017-2018 budget includes:

- Projected budget revenues FY 2017-18 are \$377,000 which include 1) Tax Revenues of \$100,000, Small County Augmentation Estimated at \$250,000, 4) MAA (Medi-Cal Administrative Activities) at \$25,000, 5) Interest estimated at \$2,000. Mental Health Services Act funding is reported in a separate budget.
- Total wages/benefits and employee contributions for the Executive Director @ \$93,451, which includes the employer tax portion of approximately \$14,020.
- Budgeted \$25,000 for evaluation consultant to evaluate the program data and produce two outcomes reports for the Commission. The Commission published a Request for Qualifications on June 17, 2015 and Social Entrepreneur's Inc. was awarded a service agreement contract.
- An amount of \$8,500 to Plumas County Public Health Agency for a fiscal staff to input confidential program data for all First 5 Plumas funded programs, including mental health data.
- \$10,000 in the Special Department Outreach is for local provider training and the ECE contract for Kindergarten Roundup, mental health trainings, as well as funds for emerging local needs.
- The FY 2017-18 Proposed Budget was developed in accordance with the First 5 California GFOA Financial Management Guide. The budget line items and service agreement contracts are delineated by Administration, Program, and Evaluation cost categories. A methodology was developed by the Executive Director and the Plumas County Plumas Health Agency to track and report all 17-18 budget expenditures by these cost categories.

FISCAL IMPACT

Approval of the recommended budget will establish a plan to spend **\$373,519** to benefit Plumas County children ages 0-5 and their families in Fiscal Year 2017-2018. Historically, the

Commission expends approximately 95% of the total *estimated* budget amount; therefore, the projections for this next years' budget is *estimated* at an expenditure rate of 95%.

PROCESS FOR COMMISSION ACTION

After reviewing the budget documents submitted by the Executive Director, the Plumas County Public Health Agency (PCPHA), will submit the 2017-2018 Commission approved budget to the Plumas County Auditor's Office for adoption by the Board of Supervisors as part of the Plumas County budget. There may be multiple motions to adopt sections of the budget to account for any special funds, and any potential conflict of interest for any of the Commissioners. The public will have an opportunity during the May and June meetings for comment. Time for public comment will be provided during the budget discussion and following the Commission's action in June.

RECOMMENDED COMMISSION ACTION:

1. Approve the recommended Proposed Budget amount of \$373,519 for Fiscal Year 2017-2018
2. Approve the Proposed Budget Package, including the Long Range Financial Plan for the Fiscal Year 2017-2018
3. Approve the GASB 54 Fund Balance Designations as of June 15, 2017
4. Authorize PCPHA to submit the Commission approved budget for inclusion in the Plumas County Budget FY 17-18

COMMISSION ACTION:

MOTION: Approve the FY 17-18 Budget Package in the amount of \$373,519 as submitted.

ROLL CALL VOTE:

Ayes: Commissioners Burgueno, Burney, Kroll, Hines, and Smart

Abstentions: None

Noes: None

Excused or Absent Commissioner(s): Hall and Simpson

1. XXX Approved as Recommended
- 2) _____ Approved as Amended
- 3) _____ Not Approved with the following action: