



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 7/11/2023

To: County of Sonoma Board of Supervisors
Department or Agency Name(s): Department of Health Services
Staff Name and Phone Number: Tina Rivera, 707-565-4774
Vote Requirement: Majority
Supervisorial District(s): Countywide

Title:

Delegated Authority for State and Federal Revenue Agreements

Recommended Action:

Adopt a resolution delegating authority to the Director of Health Services, or designee, to accept funding allocations for the County of Sonoma and execute revenue agreements, amendments, and related documents received in fiscal year 2023-2024 as necessary to receive revenue from state and federal agencies for various terms with some being for multiple years.

Executive Summary:

Each year the Department of Health Services (hereinafter, "DHS" or "the Department") requests that the Board of Supervisors delegate authority to the Director of Health Services to accept allocations and execute revenue agreements and amendments as necessary to receive revenue from state and federal agencies. This item recommends that the Board adopt a resolution, provided as Attachment 1, delegating authority to the Director of Health Services, or designee, to accept funding allocations for the County of Sonoma and execute revenue agreements, amendments, and related documents received in fiscal year 2023-2024 as necessary to receive revenue from state and federal agencies. This action by the Board of Supervisors only applies to state and federal agreements.

State and federal funding is utilized to pay for programs that support the Department's mission, including programs related to mental health, substance use disorders, environmental health, children and family health, emergency preparedness, disease control, and the public health laboratory. The Department's fiscal year 2023-2024 proposed budget includes approximately \$147.6 million in revenue received directly from state and federal agencies, of which approximately \$87.4 million requires execution of an agreement or other legal instrument during fiscal year 2023-2024 to receive. Estimated fiscal year 2023-2024 allocations and agreements are listed in Attachment 2.

Similarly, on 09/20/2022 the Board authorize delegated authority to the Director for state and federal funding agreements totaling \$78.7 million.

Discussion:

It is both practical and an efficient use of County resources to delegate signature authority to the Director of Health Services to accept allocations and execute revenue agreements and amendments to revenue agreements with state and federal agencies. Throughout each year, the Department must accept state and federal allocations and execute agreements to facilitate the release of funding for programs. Most state and

federal allocations and contracts are for funds that renew each year. Cost efficiencies associated with a reduced number of Board items will benefit the departments involved in the Board item process, including Health Services, the County Administrator’s Office, Auditor’s Office, County Counsel, and Clerk of the Board. Other advantages include increased compliance with state timelines; more timely receipt of revenues (i.e., improved cash flow) and delivery of services to clients; and more accurate cost plan reporting and expenditure reconciliation.

The allocations in Attachment 2 are a mix of flat rate contracts to support salary, benefits, services, supplies, and contractual costs. Medi-Cal contracts are calculated based upon fee for service and forecasted units of services based upon current services performed and historical trend data.

While the Department attempts to accurately project the revenue associated with state and federal allocations and agreements through the budgetary process, various factors may result in adjustments in the final revenue received from state and federal agencies. These factors include increased available funding, changes in state allocation formulas or funding amounts, programmatic changes, changes due to adoption of the state budget, and rollover of unspent prior year funds. Changes in state and federal revenue amounts will be brought to the Board through the consolidated budget process.

In addition, to become more efficient in their own contracting process, state and federal governments are increasingly contracting with the Department on a multi-year basis. Some of the agreements received in fiscal year 2023-2024 will be multi-year with the termination date unknown at this time. Multi-year contracts are beneficial through the saving of administration time for the development of the contract and the processing of reimbursements for expenses.

This request is specific to state and federal revenue and does not include authority to approve services contracts with providers that are financed with state and federal allocations. The awarding of services contracts will follow standard procurement process and reviews. As noted above, Board delegation will be requested annually, thus approval will apply only to revenue agreements received and executed in fiscal year 2023-2024.

Upon entering into a revenue agreement with the state or federal government, the County becomes obligated to provide the services specified in the agreement. Failure to meet the requirements of an agreement may result in forfeiture of continued funding during the current term and may result in decreased funding in future years.

Strategic Plan:

N/A

Prior Board Actions:

Most recently, on September 20, 2022 the Board adopted a resolution delegating authority to the Director of Health Services, or designee, to accept funding allocations for the County of Sonoma and execute revenue agreements, amendments, and related documents received in fiscal year 2022-2023 as necessary to receive revenue from state and federal agencies.

FISCAL SUMMARY

Expenditures	FY 23-24 Adopted	FY 24-25 Projected	FY 25-26 Projected
Budgeted Expenses	\$147,600,000		

Agenda Date: 7/11/2023

Additional Appropriation Requested			
Total Expenditures	\$147,600,000		
Funding Sources			
General Fund/WA GF			
State/Federal	\$147,600,000		
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$147,600,000		

Narrative Explanation of Fiscal Impacts:

The Department’s fiscal year 2023-2024 proposed budget includes approximately \$147.6 million in revenue received directly from state and federal agencies, of which approximately \$87.4 million requires execution of an agreement or other legal instrument during fiscal year 2023-2024 to receive. Changes in state and federal revenue amounts will be brought to the Board through the consolidated budget process.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Resolution

Attachment 2 - Estimated FY 23-24 State and Federal Allocations

Related Items “On File” with the Clerk of the Board:

None