



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 9/20/2022

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
Supervisory 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 2022-2023 as necessary to receive revenue from state and federal agencies.

Executive Summary:

Each year the Department of Health Services (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 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. This action by the Board of Supervisors only applies to state and federal agreements.

State and federal funding is utilized to fund 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 2022-2023 proposed budget includes approximately \$141.4 million in revenue received directly from state and federal agencies, of which approximately \$78.7 million requires execution of an agreement or other legal instrument during fiscal year 2022-2023 to receive. Estimated fiscal year 2022-2023 allocations and agreements are listed in Attachment 2.

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 interim rates and forecasted units of services based upon current services performed and historical trend data. The Department explains how the Medi-Cal interim rate is calculated and used to set Behavioral Health Published rates in the item entitled Behavioral Health Rates also on calendar before this Board on September 20, 2022.

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 2022-2023 will be multi-year. The multi-year contracts will be included in future year delegated authority requests for the life of the contract.

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 in fiscal year 2022-2023. As noted, in some cases revenue agreements may be for multiple years. The state and federal allocations of program funding are included each fiscal year in the budget approved by the Board of Supervisors.

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.

The County Administrator's Office will periodically review revenue agreements under this delegated authority with the Department throughout the year.

Strategic Plan:

N/A

Prior Board Actions:

Most recently, on June 8, 2021 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 2021-2022 as necessary to receive revenue from state and federal agencies.

FISCAL SUMMARY

Expenditures	FY 22-23 Adopted	FY 23-24 Projected	FY 24-25 Projected
Budgeted Expenses	78,698,071		
Additional Appropriation Requested			

Total Expenditures	78,698,071	0	0
Funding Sources			
General Fund/WA GF			
State/Federal	78,698,071		
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	78,698,071	0	0

Narrative Explanation of Fiscal Impacts:

The Department's fiscal year 2022-2023 proposed budget includes approximately \$141.4 million in revenue received directly from state and federal agencies, of which approximately \$78.7 million requires execution of an agreement or other legal instrument during fiscal year 2022-2023 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 22-23 State and Federal Allocations

Related Items "On File" with the Clerk of the Board:

None