

A RESOLUTION AUTHORIZING USE OF \$3,696,365 FROM THE 2018 GENERAL FUND SURPLUS FOR MENTAL HEALTH SHARED RISK CORRIDOR

WASHTENAW COUNTY BOARD OF COMMISSIONERS

April 3, 2019

WHEREAS, Administration has committed to partner with the Board and with the organization to monitor any major impacts on the 2018 budget and present these findings and recommendations to the Board of Commissioners on a quarterly basis; and

WHEREAS, Board of Commissioner authorization is needed to make program budget revisions or allocations for amounts greater than \$100,000 or over 10%, whichever is less; and

WHEREAS, a review of the preliminary year end status of the 2018 fiscal year is now complete and a 2018 General Fund allocation is needed to avoid a financial statement material misstatement; and

WHEREAS, the Board of Commissioners exceeds the goal of a reserve for subsequent years representing at least 20.0% of General Fund expenditures (D.11 page 13 of the 2019-22 Budget Resolution #18-0187);and

WHEREAS, the Board of Commissioners directed the County Administrator that any non-structural annual surplus exceeding the final budgeted planned contribution to fund balance as reported in March of each year for the prior year and confirmed in the Comprehensive Annual Financial Report as presented in April of each year may be considered by the Board of Commissioners for investment in their priorities; and

WHEREAS, the County Administrator recommends an additional one-time non-structural use of the 2018 General Fund surplus in an amount of up to \$3,696,365 (through assignment of mental health expenditures to the General Fund) for the Mental Health Shared Risk Corridor expenses to offset Washtenaw County Community Mental Health fiscal year 2018 projected shortfall and;

WHEREAS, the General Fund will be reimbursed for the mental health expenditures if the State reimburses any portion of the Mental Health Shared Risk corridor expenses for 2018 and beyond; and

WHEREAS, non-structural, one-time, adjustments resulting in an increase in expenditures are in alignment with the Board of Commissioners budget priorities and principles for the use of any General Fund budget surplus to sustain excellence in essential services and maintain a safety-net and work to improve the human condition; and

WHEREAS, this matter has been reviewed by Corporation Counsel, the Finance Department, Human Resources, the County Administrator's Office and the Ways & Means Committee

NOW THEREFORE BE IT RESOLVED that the Washtenaw County Board of Commissioners authorizes an additional one-time non-structural use of the 2018 General Fund projected surplus in an amount of up to \$3,696,365 for Mental Health Shared Risk Corridor expenses to offset the Washtenaw County Community Mental Health fiscal year 2018 projected shortfall.

BE IT FURTHER RESOLVED the General Fund will be reimbursed for the mental health expenditures if the State reimburses any portion of the Mental Health Shared Risk corridor expenses for 2018 and beyond.