DATE:       May 12, 2020
TO:         Board of Supervisors
FROM:       Imre Kabai, Acting Chief Information Officer
SUBJECT:    FY19-20 Year-End Budgetary Cleanup Actions

RECOMMENDED ACTION
Approve Request for Appropriation Modification No. 210 - $2,657,848 adjusting various expenditures and revenues for various departments, transferring funds to General Fund Contingency Reserve relating to year-end clean up actions. (4/5 Vote)

FISCAL IMPLICATIONS
The total value of the Year-End Budgetary Clean-Up appropriation modification of intra-county budget adjustments is $2,657,848 and reflects a budget modification within the County relating to Postage, Printing Services, Enterprise Licensing and Information Technology rates, resulting in fund impacts as follows:

- General Fund – ($522,669)
- Health Hospital Fund - $1,328,924
- Non-General Fund – ($806,255)

The year-end clean up adjustments are needed to reflect actual consumption for the Technology Services and Solutions (TSS) Internal Service Fund. Approval of this action would replenish the General Fund Contingency Reserve in the amount of $522,669, would approve additional expenditure, in the amount of $1,328,924, in the Health and Hospital System to account for actual services provided by TSS, and increases fund balance, in the amount of $806,255, for remaining impacted funds.

REASONS FOR RECOMMENDATION
California State Controller guidelines allow internal service funds to “recover sufficient revenues to fund all costs associated with providing goods and/or services.” The recommended action to approve the budgetary transfers and adjustments will allow departments to end the fiscal year with sufficient budgets to cover costs associated with...
printing services, enterprise licenses and other IT goods and services. The major drivers for these adjustments include:

- Higher than anticipated enterprise licensing costs for O’Connor Hospital and St. Louise Medical Centers.
- Higher than anticipated Printing Services needs for the Health and Hospital System (HHS), Department of Correction and Behavior Health Department.
- True-up of reimbursement revenue from HHS to align with one-time expense budget that was rolled over last fall.
- Lower than planned hours of hourly services in InfoTech services due to unfilled positions.
- Other miscellaneous adjustments to align budgets to actual service consumption levels.

**CHILD IMPACT**
The recommended action will have no/neutral impact on children.

**SENIOR IMPACT**
The recommended action will have no/neutral impact on seniors.

**SUSTAINABILITY IMPLICATIONS**
The recommended action will have no/neutral sustainability implications.

**BACKGROUND**
Annually, the Board of Supervisors considers budgetary clean-up modifications. This modification is required to ensure TSS can recover sufficient revenues to fund all costs associated with providing goods and/or services.

**CONSEQUENCES OF NEGATIVE ACTION**
Without Board approval of technical adjustments, TSS budgets will not be properly aligned with forecasted usage. Where budgets are insufficient, departments may not have the ability to pay their fair share of service costs, putting TSS at financial risk and requiring a return to the Board for adjustments at the year-end close in September.

**STEPS FOLLOWING APPROVAL**
Upon completion of processing, the Clerk of the Board’s Office will notify Jennifer Zhang, Joyce Wallace and Elizabeth Constantino of the Technology Services and Solutions Department.

**ATTACHMENTS:**
- LF 101225 210 YE TSS Final (PDF)