



MEMORANDUM
OFFICE OF THE
COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Andy Heath, Deputy County Executive Officer
By: Bryan Hacker, Senior Management Analyst

DATE: October 6, 2015

SUBJECT: General Fund advance to the IHSS Public Authority Fund

Action Requested

Adopt a Resolution authorizing a long-term advance in the amount of \$440,000 from the County General Fund to the In-Home Supportive Services (IHSS) Public Authority Fund.

Background

The IHSS Public Authority is a separate legal entity that provides State-required home care services so that residents may remain in their home rather than in more expensive residential care facilities. The IHSS Public Authority's budget is funded by a combination of Federal, State, and County funds. The Federal and State funds are administered by the California Department of Social Services (CDSS).

The IHSS Public Authority's costs are reimbursed in arrears (usually quarterly) by the CDSS. Due to the State's turnaround time, invoices can remain unpaid for up to a year. This has resulted in an ongoing negative cash balance for the Fund, which in turn generates a negative interest cost that must be paid by the County General Fund, as this expense is not a State reimbursable item.

This situation has been jointly discussed by the Health and Human Services Department, County Executive Office staff, and the County Auditor. A long-term advance to the IHSS Public Authority Fund will remedy the ongoing cost to the County General Fund and allow the Fund to be in compliance with Generally Accepted Accounting Principles (GAAP) standards. With the FY 2015-16 Final Budget, your Board approved funding of \$440,000 from the General Fund for this specific purpose.

Fiscal Impact

In the FY 2015-16 Final Budget, your Board approved funding of \$440,000 from the General Fund for this specific purpose. As stated in the attached Resolution, this funding is to revert back to the General Fund should the IHSS Public Authority Fund ever be dissolved, or should State accounting procedures change to alleviate the negative cash balance.

Attachment - Resolution

**Before the Board of Supervisors
County of Placer, State of California**

In the matter of:

Resol. No: _____

A Resolution authorizing a long-term advance in the amount of \$440,000 from the County General Fund to the In-Home Supportive Services (IHSS) Public Authority Fund.

Related to Ord. No: _____

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held on October 6, 2015 by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Chair, Board of Supervisors

Attest:
Clerk of said Board

WHEREAS, the In-Home Supportive Services (IHSS) Public Authority Fund 513/100 has an ongoing negative cash balance as a result of the timing of quarterly reimbursements; and

WHEREAS, the resulting negative interest cost is not reimbursable from State funding sources and therefore accrues to the County General Fund; and

WHEREAS, a long-term advance to the IHSS Public Authority Fund will remedy the negative cash balance;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Supervisors, County of Placer, State of California, does hereby authorize the long-term advance from the General Fund to the IHSS Public Authority Fund in the amount of \$440,000.

BE IT FURTHER RESOLVED AND ORDERED that should the IHSS Public Authority Fund ever be dissolved, or should State accounting procedures change to remedy the negative cash balance, the long-term advance shall revert back to the General Fund.