



BOARD OF COMMISSIONERS

1300 NW Wall Street, Bend, Oregon

(541) 388-6570

FOR RECORDING STAMP ONLY

DESCHUTES COUNTY BUDGET COMMITTEE MEETING

This 2023 Budget Meeting for Health Services was held in the Barnes Sawyer room at 1300 NW Wall Street, Bend and broadcast via livestream on YouTube and through the virtual meeting platform Zoom. Audio and video recordings of the meetings may be accessed at www.deschutes.org/meetings.

Present were Budget Committee Members Bruce Barrett, Jim Fister (via Zoom), and Judy Trego, and Commissioners Anthony DeBone, Patti Adair, and Phil Chang. Also present were County Administrator Nick Lelack, Deputy County Administrators Whitney Hale and Erik Kropp, Health Services Director Janice Garceau, Deputy Director of Public Health Heather Kaisner, Deputy Director of Behavioral Health Holly Harris, HS Business Officer Cheryl Smallman, HS Operations Officer Chris Weiler, HS Compliance & Quality Assurance Officer Jillian Weiser, Chief Financial Officer Robert Tintle, Budget and Financial Planning Manager Dan Emerson, Budget Analyst Camilla Sparks, Management Analyst Laura Skundrick and (via Zoom) BOCC Executive Assistant Brenda Fritsvold.

Call to Order of Thursday, May 4, 2023:

Chair Barrett convened the Deschutes County Budget Meeting at 9:00 a.m.

HEALTH SERVICES BRIEFING—

Health Services Funds Overview:

Health Services Director Janice Garceau presented an overview of the Health Services department, including its mission, services and challenges. Garceau briefly listed the services provided by the behavioral health, public health and administrative divisions, and spoke to staffing shortages which impact access, outcomes and revenue.

FY 24 Proposed Budget:

Business Officer Cheryl Smallman presented an overview of the department's funds, beginning with available resources which include government grants and payments, capitation and fees for service (FFS), and transfers from the General Fund. Smallman referred to a graph showing the amounts provided to HS by the General Fund since 2018 which illustrated the consistency in these allocations as a percentage of the department's revenues, which have grown over that time. Smallman shared that HS plans to return \$1,172,405 to the General Fund in FY23 in accordance with the decision made by the Budget Committee last year regarding the Behavioral Health reserves level.

Smallman reviewed standard expenditures, including personnel, materials and services, as well as major one-time expenditures relating to the La Pine Community Health Center, the secure residential treatment facility in North County and other capital needs.

Commissioner Adair asked about the plan to use \$3.8 million on a secure residential facility. Garceau emphasized the need to serve adults with mental illness or who are at risk for incarceration due to being intellectually and developmentally delayed (IDD), noting this vulnerable population can divert law enforcement and emergency room resources.

Garceau then identified short- and long-term fiscal issues, including personnel costs and the Stabilization Center. In response to Fister, Garceau said the funds expected from the State to address homelessness will not likely be able to be used by the Stabilization Center as those are restricted for emergency shelter, which is not a core service offered by the Center. Fister noted that the Deschutes County Sheriff's Office contributes ongoing support to the operations of the Stabilization Center and advised that Health Services seek other financial support from law enforcement agencies across the County for this facility.

Smallman next reviewed a graph showing department revenues and expenses from 2018 and out through 2027 (as projected), noting a forecasted \$11 million difference between revenues and expenses in 2027. Future budgets assume an increase in the annual transfer from the General Fund equal to expected COLAs—4% in 2025 and 2% each in 2026 and 2027.

Smallman described graphs showing each of the division's budgets over the same time period (2018 through 2027), starting with Behavioral Health which anticipates a funding gap of \$5.5 million in 2027. Noting that the Public Health budget anticipates a funding gap of \$3.3 million in 2027, Smallman said the department's FY24 proposed budget will assume a 13% OHP redetermination rate starting in July.

Responding to questions, Garceau and Emerson explained how and why increasing capitation revenues lower CCBHC funding as happened between 2018 and 2022.

Continuing, Smallman reviewed staffing changes from FY 2023 which are expected to result in a reduced workforce of 411.8 FTE from 422.8. She outlined the department's five special requests which involve the Healthy Schools program, the outpatient team, the Family

Connects Oregon program, a conversion of system of care staff from limited duration to regular, and a proposal to convert the DEI strategist position to regular.

Behavioral Health & Special Requests:

Holly Harris, Behavioral Health Director, presented an overview of the division's programs and services, noting that the Stabilization Center is diverting approximately 30% of its clients from emergency rooms. Harris described the special request to convert 1.0 Behavioral Health Supervisor limited duration to regular at a six-month cost of \$85,613; this would allow the person in this position to continue serving as the primary liaison with the Mosaic Medical Team and help coordinate care and provide leadership to nine clinical staff. This person will also track, report and improve team outcomes.

Continuing, Harris said the division's second special request is to convert 8.0 FTE from limited duration to regular to continue to provide a System of Care program to address mental health conditions which may lead to suicide of persons aged 10-24. These were previously funded via a five-year SAMSA grant due to expire in August of 2024; the cost to convert the positions would total \$889,739.

Garceau explained the Intellectual & Developmental Disability services provided by Health Services, which include case management, abuse investigation, and foster home licensing and certification, and shared program outcomes from FY 23. Smallman presented the proposal to redirect \$423,207 in County General Funds from Behavioral Health programs to I/DD in next year's budget; this would enable leveraging a total of \$541,139 in General Funds to maximize the federal match and secure \$1,420,933 in federal funding for these services.

A break was announced at 10:33 a.m.; the meeting resumed at 10:45 a.m.

Public Health & Special Requests:

Heather Kaisner, Public Health Director, presented an overview of the division's role and services which include disease prevention, health promotion, emergency preparedness, and environmental health services. Kaisner shared FY 23 accomplishments and said challenges will require addressing emerging STD outbreaks such as syphilis, which can lead to stillbirth, infant death and serious birth defects. She spoke to efforts to increase child immunization rates and announced that the division has been selected to be a dedicated Medical Reserve Corps.

Kaisner described the special budget request to add 1.0 FTE Public Health Educator II position for the final phase build-out of the Healthy Schools program; this will be a shared expense of the County and the Bend-LaPine School District and complete program coverage for all of the district's high schools and their respective feeder middle schools. The first full analysis of student outcomes resulting from this program will be conducted in the fall of 2025.

Continuing, Kaisner said the division's second special request is to add two 1.0 Public Health Nurse positions (one to start in July 2023 and the other to start in January 2024) and to convert 2.5 FTE from limited duration to regular for the Family Connects Oregon program which fulfills the State's requirement that all families with newborns be offered the nurse home visiting service. Families who accept the service are provided one to three in-home visits from a public health nurse to advise and educate in caring for a newborn.

Administrative Services & Special Requests:

Smallman provided an overview of the Administrative Services division, noting average FTE by year from 2020 to 2023 and sharing FY 23 accomplishments, including the development of an open source grant management software which won a 2022 NACo Achievement Award.

Discussion ensued regarding space needs and remote work. Garceau said in-person work is beneficial for many reasons, including that it increases collaboration while counteracting loneliness.

Garceau described the special request to convert the department's 1.0 FTE DEI Strategist (Senior Management Analyst) to a regular position, noting the 2020 Central Oregon Health Equity Report identified health disparities in the region. Garceau emphasized that Health Services is required by nearly every contract, grant and statute under which it operates to address diversity, equity and inclusion factors.

Summary and Closing Remarks:

Trego stated her support for the special requests as presented, which she deemed reasonable and critical to the department's work.

In response to Trego, Smallman said Public Health has proposed returning \$168,661 in General Funds from the current budget which were not expended as the health officer position was not filled as anticipated.

Discussion ensued regarding the decision made last year regarding the department's obligation to return General Funds if its reserve is greater than \$12,271,454 and the beginning working capital of the Behavioral Health division is higher than \$6 million.

Budget & Financial Planning Manager Dan Emerson explained that the Budget Committee addressed this matter last year in order to make clear that General Funds transferred to Health Services in FY 2022-23 which were not used would be returned to the General Fund rather than remain in the Behavioral Health reserves account for future use by the department. Emerson said this decision will allow funds not needed or used by Health Services to be returned to the General Fund for County utilization in any manner identified to be a priority.

Chief Financial Officer Robert Tintle noted that the County's long-term budget forecast envisions Health Services returning \$1.2 million to the General Fund as discussed.

Emerson added that the return by Health Services of monies to the General Fund was contingent on the department's reserves growing by \$1 million in FY 2022-23, which they did.

Garceau spoke to considerable potential shortfalls in key services and the need to account for staff space needs.

Commissioner Chang suggested that an appropriate reserve level be determined for Behavioral Health, given the uncertainty of future revenue and the division's substantial operating costs.

Chair Barrett expected that this matter will be taken up again as the Budget Committee continues its deliberations later in May.

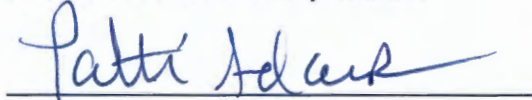
ADJOURNMENT:

At 12:00 noon, Chair Barrett declared the Budget Committee meeting for Health Services adjourned.

DATED this 5th Day of July 2023 for the Deschutes County Board of Commissioners.




ANTHONY DEBONE, CHAIR



PATTI ADAIR, VICE CHAIR

ATTEST:



RECORDING SECRETARY



PHIL CHANG, COMMISSIONER