

Item Title: Budget Reallocation to Comply with State-Mandated Reorganization

Specific Action Requested:

That the Board of Commissioners reallocate \$261,718 of expenditure budget from the Community and Environmental Services function to the Human Services function of the General Fund to support the administrative transfer of 4.0 authorized positions from Environmental Services to Health and Human Services.

Item Summary:

Purpose: In compliance with the *North Carolina Local Government Budget and Fiscal Control Act* (G.S. 159, Article 3), Wake County is required to maintain a balanced budget covering the fiscal year beginning July 1 and ending June 30 for all governmental and proprietary funds except funds authorized by project ordinances.

Background: In 2023, the North Carolina Department of Health and Human Services (NCDHHS) notified Wake County that per North Carolina General Statutes and state administrative rules, County employees must be "current employees of a local health department" to act as authorized agents of the state in enforcing health regulations and environmental rules." To align County structure with these statutes, the County Attorney's Office and other staff determined that these employees will report to the County's local Health Director instead of the Environmental Services Director. The Board approved the initial realignments in February 2024.

To comply with state guidance, four authorized positions are moving from Environmental Services into Health and Human Services effective November 1, 2024. Three positions will be moved into the Environmental Health section within the Division of Public Health. One position from Environmental Services will be moving into the HHS Finance Office. Staff recommend these additional moves to the Division of Public Health after determining they better aligned with the function of Environmental Health & Safety within HHS.

Strategic Plan: This action supports County operations.

Fiscal Impact: This action reallocates \$261,718 of expenditure budget from Environmental Services to Health and Human Services to support the budget transfer of four positions. \$256,330 will support salary and benefit costs and \$5,388 will support other operational costs.

Additional Information:

The reorganization effort to consolidate Wake County's Health Department functions into one department began last fiscal year. The Board approved the transfer of 88.0 FTE and nine temporary positions on February 19, 2024.

This change was a result of collaborative discussions with NCDHHS, and the state has expressed its approval of the County's plan, progress, as well as the timeline to complete the final transfer of positions in November 2024.

Attachments:

1. Budget Memo – FY25 Community & Environmental Services
2. Budget Memo – FY25 Human Services