

Item Title: FY 2020 Budget Revisions

Specific Action Requested:

That the Board of Commissioners approves budget revisions to the FY 2020 General Fund, General Fund Fund Balance, Coronavirus Relief Fund, and Grants and Donations Fund as described below.

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: This item is needed to make revisions in the FY 2020 Wake County budgetary funds that require amendments in revenue and expenditure appropriations prior to the close of the fiscal year on June 30, 2020.

Board Goal: This Board action supports routine County business.

Fiscal Impact: The fiscal impact of the requested amendments for each of the funds listed below are described in detail in this item summary and the attached budget memos.

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FY 2020 Budget Revisions:

GENERAL FUND

		Revenues	Expenditures
	General Fund Amended as of June 1, 2020	\$1,540,157,887	\$1,540,157,887
	Adjustments		
A	Human Services - Child Support Incentives	(727,709)	(727,709)
B	Human Services - Child Welfare Mathematica	(85,000)	(85,000)
C	Non-Departmental - Coronavirus Relief	(62,371,100)	(62,371,100)
	Total Adjustments	(63,183,809)	(63,183,809)
	General Fund Final Amended Budget	\$1,476,974,078	\$1,476,974,078

Department: Human Services

- A. Reduce \$727,709 of revenues and expenditures in the General Fund. Human Services will be receiving Child Support Enforcement Incentive funding into the Grants and Donations Fund, allowing the funding to be spent across fiscal years. Funds will be accepted and appropriated in the Grants and Donations Fund, described later in this item summary.
- B. Reduce \$85,000 of revenues and expenditures in the General Fund. Human Services will be receiving grant funding from Mathematica into the Grants and Donations Fund, allowing the funding to be spent across fiscal years. Funds will be accepted and appropriated in the Grants and Donations Fund, described later in this item summary.

Department: Non-Departmental

- C. Reduce \$62,371,100 of revenues and expenditures in the General Fund. On May 18, 2020, the Board of Commissioners appropriated these Coronavirus Relief Funds for COVID-19 response and recovery. The funding was part of the \$194 million Wake County received on April 24, 2020 as part of the federal Coronavirus Aid, Relief, and Economic Security Act (CARES) Act. In June 2020, the NC Local Government Commission issued guidance that CARES act funding should be accounted for in a distinct special revenue fund. This action would reverse the General Fund appropriation so these funds can be appropriated in a new Coronavirus Relief Fund.

GENERAL FUND FUND BALANCE

That the Board of Commissioners commits for these purposes with the final specific amounts determined after financial records are closed or the 2020 fiscal year:

- i. Approximately \$3,000,000 of FY 2020 behavioral health funding for use in subsequent fiscal years for behavioral health purposes with the final specific amount determined after financial records are closed for the 2020 fiscal year, and

- ii. Approximately \$5,000,000 of North Carolina Alcoholic Beverage Control Commission funding set aside for future appropriation, with the final specific amount determined after financial records are closed for the 2020 fiscal year.

CORONAVIRUS RELIEF FUND

This item establishes a new Coronavirus Relief Fund to account for federal funding received for COVID-19 response and recovery. It also appropriates \$62,371,100 in the fund for these efforts. The funds were initially appropriated by the Board of Commissioners of May 18th, 2020, but the County received guidance from the NC Local Government Commission that the funds should be accounted for in a distinct special revenue fund.

Coronavirus Relief Fund	FY 20 Current Budget	Proposed Change	Resulting FY 20 Budget
CARES Act Funding	-	\$ 62,371,100	\$ 62,371,100
TOTAL REVENUES	-	\$ 62,371,100	\$ 62,371,100
Coronavirus Relief Expenditures	-	\$ 62,371,100	\$ 62,371,100
TOTAL EXPENDITURES	-	\$ 62,371,100	\$ 62,371,100

GRANTS AND DONATIONS FUND

Department: Human Services

- A. Accept and appropriate \$727,709 of revenues and expenditures in the Grants and Donations Fund. Human Services receives Child Support Enforcement Incentive funding that must reinvest back into the Child Support program and not revert to fund balance or supplant county funds (including salaries and benefits). New State guidance allows the funding to be spent across fiscal years; however, funds must be expended according to an approved Child Support Incentive Plan. This plan focuses on improved communication, collaboration, customer service, technology modernization, father-focused initiatives, and continuous quality improvement.

Child Support Incentives	FY 20 Current Budget	Proposed Change	Resulting FY 20 Budget
Federal - Human Services - Child Support Incentives	\$0	\$727,709	\$727,709
TOTAL REVENUES	\$0	\$727,709	\$727,709
Maintenance and Repair of Equipment	\$0	\$727,709	\$727,709
TOTAL EXPENDITURES	\$0	\$727,709	\$727,709

- B. Accept and appropriate \$85,000 of revenues and expenditures in the in the Grants and Donations Fund. Human Services received grant funding from Mathematica to improve father and paternal relative engagement in the child welfare system.

Child Welfare was not able to spend the funds received in FY20 because of COVID-19 and the grant requires in-person and group engagements for 12 months. Child Welfare will resume this program when it is again safe to do so.

Child Welfare Mathematica Grant	FY 20 Current Budget	Proposed Change	Resulting FY 20 Budget
Local Grant - Human Services - Child Welfare Mathematica	0	\$85,000	\$85,000
TOTAL REVENUES	\$0	\$85,000	\$85,000
Temporary Agency Services	0	\$85,000	\$85,000
TOTAL EXPENDITURES	\$0	\$85,000	\$85,000

Attachments:

1. Budget Memo: Human Services General Fund
2. Budget Memo: Non-Departmental General Fund
3. Budget Memo: Coronavirus Relief Fund
4. Budget Memo: Grants and Donations Fund