



THE PRINCE GEORGE'S COUNTY GOVERNMENT

Office of Audits and Investigations

March 11, 2019

M E M O R A N D U M

TO: Calvin S. Hawkins, Chair
Health, Human Services, and Public Safety (HHSPS) Committee

THRU: David H. Van Dyke, County Auditor *DHV*
Turkessa M. Green, Deputy County Auditor *TMG*

FROM: Deneen Mackall, Auditor

RE: Health Department
Fiscal Year 2019 Mid-Year Budget Review

Background:

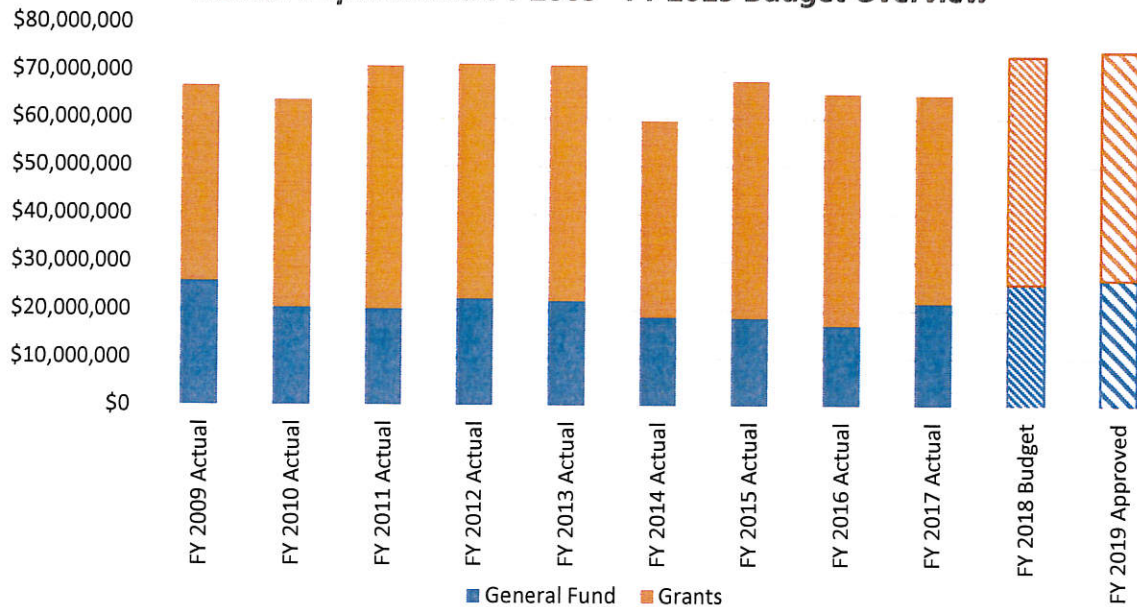
The Health Department protects the public's health, assures availability of and access to quality health care services, and promotes individual and community responsibility for the prevention of disease, injury and disability. Services provided by the Health Department include chronic disease interventions and education, disease prevention, and environmental safety.

The Department's overall budget has increased by 11.1%, or \$7.4 million, since FY 2009. The General Fund portion has increased by 2.2%, while Grant funds have increased by 16.7%. The accompanying table and chart depict the budget history of the Health Department since FY 2009.

Health Department: Budget Overview						
	Amount (\$)			Distribution (%)		Total All Funds Annual Change (%)
	General Fund	Grant/Other Funds	Total All Funds	General Fund	Grant Funds	
FY 2009 Actual	\$25,968,546	\$40,888,180	\$66,856,726	38.84%	61.16%	N/A
FY 2010 Actual	\$20,462,324	\$43,331,514	\$63,793,838	32.08%	67.92%	4.58%
FY 2011 Actual	\$20,214,037	\$50,692,827	\$70,906,864	28.51%	71.49%	-11.15%
FY 2012 Actual	\$22,318,980	\$49,053,328	\$71,372,308	31.27%	68.73%	-0.66%
FY 2013 Actual	\$21,874,587	\$49,216,774	\$71,091,361	30.77%	69.23%	0.39%
FY 2014 Actual	\$18,575,248	\$40,958,934	\$59,534,182	31.20%	68.80%	16.26%
FY 2015 Actual	\$18,355,901	\$49,606,953	\$67,962,854	27.01%	72.99%	-14.16%
FY 2016 Actual	\$16,804,138	\$48,478,622	\$65,282,760	25.74%	74.26%	3.94%
FY 2017 Actual	\$21,433,943	\$43,605,731	\$65,039,674	32.96%	67.04%	0.37%
FY 2018 Budget	\$25,572,200	\$47,585,800	\$73,158,000	34.95%	65.05%	-12.48%
FY 2019 Approved	\$26,547,000	\$47,730,200	\$74,277,200	35.74%	64.26%	-1.53%

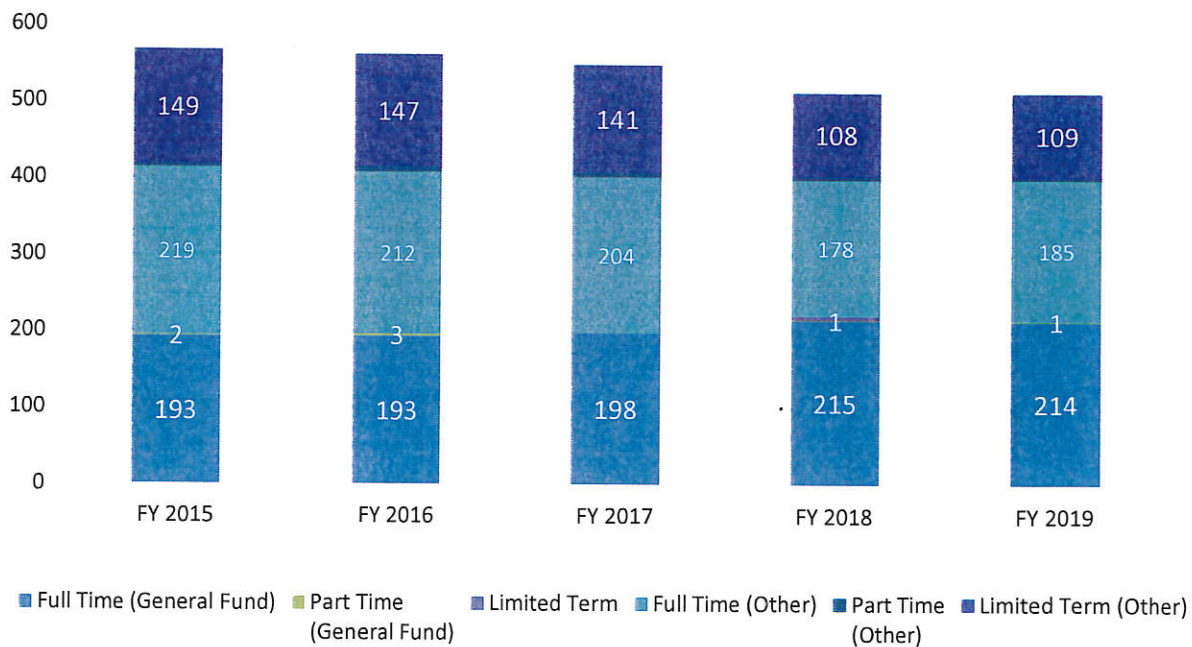
Data Source: Approved Budget books

Health Department: FY 2009 - FY 2019 Budget Overview

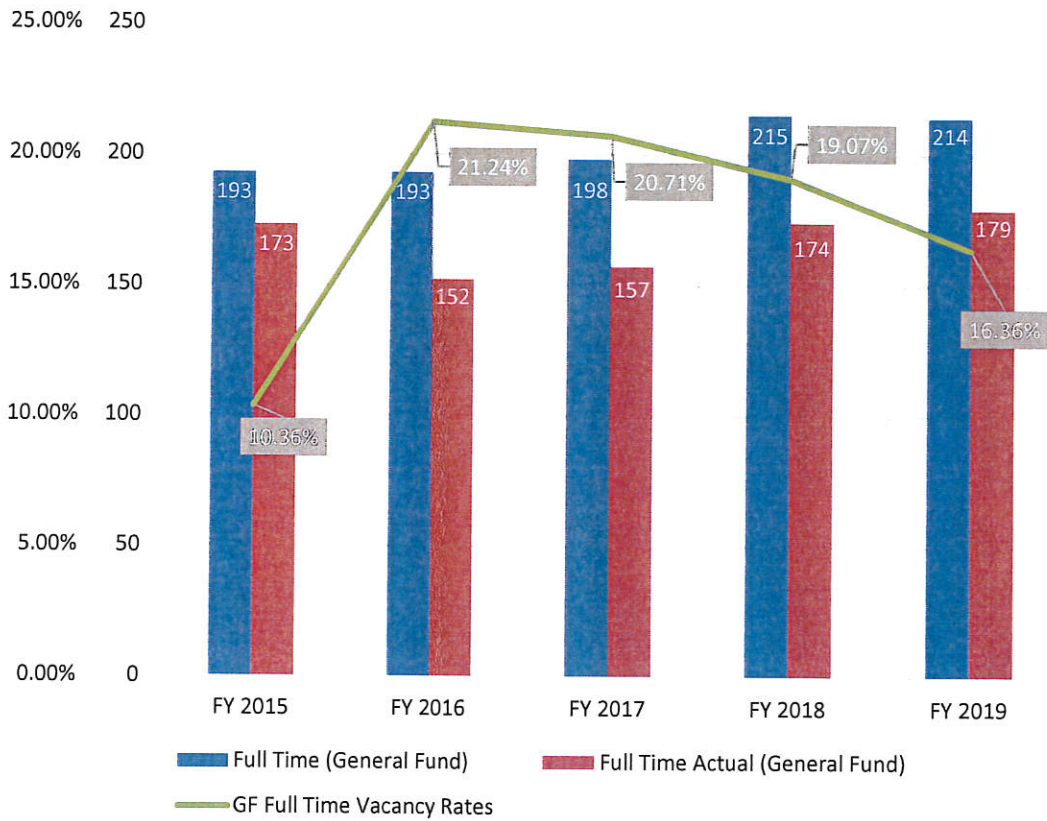


The General Fund full-time staffing composition for the Department has increased by twenty-one (21) positions from 193 to 214 since FY 2015 (or 10.9% increase). However, the actual data shows an increase of only six (6) employees (3.5%), from 173 to 179 between FY 2015 and FY 2019 (as of February 4, 2019). The following charts depict the full-time, part-time, and limited term grant funded positions (LTGF), as well as the full-time authorized compared to full-time actual General Fund positions for the same period:

Health Department: Authorized Staffing Levels (All Funds)



Health Department: Authorized Vs. Actual Staffing Levels
 (General Fund, Full Time positions)



Data source: Budget Books and Budget Review Office of Audits and Investigations Responses.

FY 2019 Approved Budget:

The approved FY 2019 operating budget for the Health Department is \$74,277,200, of which \$26,547,000 (35.7%) is from the General Fund. The remaining \$47,730,200 (64.3%) is funded through grants.

Fund	FY 2018 Approved	FY 2018 Estimated	% Change - Est vs App	FY 2019 Approved	\$ Change FY18 App vs FY19 App	Percentage Change
General Fund	\$ 25,572,200	\$ 24,525,300	-4.1%	\$ 26,547,000	\$ 974,800	3.8%
Grants	47,585,800	46,477,800	-2.3%	47,730,200	144,400	0.3%
Total	\$ 73,158,000	\$ 71,003,100	-2.9%	\$ 74,277,200	\$ 1,119,200	1.5%

General Fund Comparison and Year-to-Date Expenditures

Category	FY 2018 Approved*	FY 2018 Estimated*	FY 2019 Approved*	FY 2019 Actual YTD**	FY 2019 Remaining	YTD % Expended
Compensation	\$ 15,730,800	\$ 14,781,200	\$ 16,421,200	7,926,040.30	\$ 8,495,160	48.3%
Fringe Benefits	5,490,000	5,170,000	5,337,100	3,875,367	1,461,733	72.6%
Operating Expenses	6,623,600	6,846,300	7,075,900	2,284,206	4,791,694	32.3%
Total	\$ 27,844,400	\$ 26,797,500	\$ 28,834,200	\$ 14,085,613	\$ 14,748,587	48.9%
Recoveries	(2,272,200)	(2,272,200)	(2,287,200)	(224,680)	(2,062,520)	9.8%
Total	\$ 25,572,200	\$ 24,525,300	\$ 26,547,000	\$ 13,860,933	\$ 12,686,067	52.2%

*Data Source: FY 2019 Approved Budget Book

**Data Source: SAP FY19 Budget to Actual Report (General Fund) as of January 31, 2019

Grant Funds Comparison and Year-to-Date Expenditures

Category	FY 2018 Approved*	FY 2018 Estimated*	FY 2019 Approved*	FY 2019 Actual YTD**	FY 2019 Remaining	YTD % Expended
Compensation	\$ 16,314,500	\$ 17,569,400	\$ 17,951,200	\$ 6,929,238	\$ 11,021,962	38.6%
Fringe Benefits	4,888,400	5,019,700	5,328,500	413,803	\$ 4,914,697	7.8%
Operating Expenses	26,487,900	23,993,700	24,872,800	6,646,848	\$ 18,225,952	26.7%
Total	\$ 47,690,800	\$ 46,582,800	\$ 48,152,500	\$ 13,989,889	\$ 34,162,611	29.1%

*Data Source: FY 2019 Approved Budget Book

**Data Source: SAP FY19 Budget to Actual Report (Grants) as of January 31, 2019

In response to mid-year budget questions provided by Audits & Investigations, the Department reported that it plans to remain within the FY 2019 approved General Fund budget. The Department anticipates receiving several new grant awards (\$4.0 million) and modifications to existing grants (\$4.5 million) which will be reflected in a grant supplemental request.

Issues:

Staff reviewed the responses provided to mid-year budget questions and noted the following issues that Committee members may wish to discuss with representatives of the Health Department:

- The Departments reports that a high rate of attrition has had a significant effect on its operations as it relates to the continuity and sustainability of County health services. While the Department reported that it has made the necessary adjustments to ensure continuity of services, the heavy work load can potentially have an adverse effect on the staff.
- The Department continues to experience recruitment challenges, such as issues in identifying, vetting, and hiring health professionals and support staff. As a result of the challenges faced in filling critical positions, the Department has had to frequently utilize temporary staff to meet regulatory requirements.
- The Department also reported that delays in the procurement process and recruitment process (especially with Limited Term Grant Funded positions) may result in lower than anticipated spending.

- The Department reported that it plans to contract with Healthcare Alliance, using the \$250,000 of funding provided by the County Council as well as \$500,000 of additional funds included in the Approved FY 2019 budget, to begin the initial phase of infrastructure development for the Health Assure Program. This phase consists of the execution of provider agreements, conducting provider training, establishing an advisory board, and determining the number of patients to be served. During the second phase of implementation, service delivery will commence.
- Through collaboration with local universities, the Department reported that it provides for graduate certification programs where students can complete their field of study and conduct research within the County. This program allows the Department to identify talent for potential hire, especially in the Environmental Health Division.