**Subject:** Cash Advance for Butte County Employment and Social Services

**Department:** Employment and Social Services

**Contact:** Shelby Boston  
**Phone:** 530.538.7891

**Meeting Date Requested:** June 25, 2019

**Department Summary:** *(Information provided in this section will be included on the agenda. Attach explanatory memorandum and other background as necessary).*

The Department of Employment and Social Services receives many different sources of funding. The Department receives some funding through a monthly advance from the State and others on a reimbursement basis. At the end of June 2019, the Department will experience a cash flow shortage. The shortage is primarily due to a delay in the timing of State payments and the use of the Department’s fund balance for the new Chico facility. In recent years, the Department used the fund balance to cover any delay in State payments. However, with the completion of the project, the fund balance has been depleted. A cash shortage has occurred in the past in both the Department of Employment and Social Services and the Department of Behavioral Health.

The Department is projecting the cash shortage to be $2,500,000 at June 30, 2019, though this will vary based on actual transactions. The Department, County Administration, and the Auditor-Controller recommend approval of a cash advance from the Public Health Fund to the Social Services Fund to eliminate the cash deficit as of June 30, 2019. The advance will be transferred back to the Public Health Fund on July 1, 2019.

**Fiscal Impact:**

The cash advance will come from the Public Health Fund which has an estimated June 30, 2019 fund balance of over $11 million. There is no impact to the General Fund.

**Personnel Impact:**

Does not apply.

**Action Requested:**

Authorize an advance from Public Health Fund to Social Services Fund to cover the cash shortage on June 30, 2019.

**Administrative Office Review:** Sang Kim, Deputy Chief Administrative Officer