



COUNTY OF HUMBOLDT

For the meeting of: 7/23/2019

File #: 19-1009

To: Board of Supervisors

From: Human Resources

Agenda Section: Consent

SUBJECT:

Supplemental Budget for the County's Dental Fund in Fiscal Year 2018-19 (4/5 Vote Required)

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the following supplemental budget in Fund 3526, Dental Plan (4/5 vote required):

Revenue:

3526356-682100	Revenue	\$ 55,000
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Expense:

3526356-6100	Claim Payments	\$ 38,000
3526356-6200	Claim Administration	\$ 17,000

SOURCE OF FUNDING:

Additional revenue beyond what was originally budgeted has already been received from county departments based on the increase in the number of eligible employees enrolled in the benefit.

DISCUSSION:

The Dental budget provides funding for costs to administer and fund the dental benefit program for employees and county affiliates that participate in the benefit program. This request is due to two factors: 1) the increase in the number of county employees enrolled and using the benefit, and 2) an increase in the administrative rate charged on a per employee per month basis (PEPM) by the vendor. Departments and affiliates are charged a monthly cost for each eligible employee on their payroll. As such, when the total number of employees increased over the past year, so did the revenue in this BU. The amount of the requested increase in the revenue line has already been received in BU 3526 356.

Expenditures have also increased due the same factors outlined above. When the budget for BU 3526 356 was developed, the total number of employees was 1,881. As of June 2019, there are 2,007 county employees enrolled and eligible to use this benefit, resulting in increased claim payments.

Furthermore, after the rates for Fiscal Year 18-19 were developed, the administrative rate from the vendor increased from \$0.85 PEPM to \$1.35 PEPM, resulting in an increase to the claims administration costs.

FINANCIAL IMPACT:

There is no impact to the general fund. The increased revenue to the Dental fund by departments for the number of employees enrolled will cover the full cost of the increase in expenditures through the end of the 2018-2019 Fiscal Year in the amount of \$55,000.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by managing our resources to ensure sustainability of services .

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could deny the requested supplemental budget; however, this alternative is not recommended because it would result in an insufficient amount of funding to cover required expenses.

ATTACHMENTS:

None.

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A