



RESOLUTION NO. 2021-11-17-058

ADOPTION OF THE FISCAL YEAR 2021-2022 SUPPLEMENTAL BUDGET

WHEREAS, annually in May or June, the LTD Board adopts a budget for each of its five funds;

WHEREAS, the budget for each fund reflects LTD's financial plan for the fiscal year that starts every July 1 and ends every June 30;

WHEREAS, supplemental budgets require a public hearing and Board adoption, but does not require Budget Committee approval;

WHEREAS, the budget is reviewed and approved by the LTD Budget Committee, who provides a recommendation to the Board of Directors to adopt the budget as presented, or as amended, on or before June 30 of every year;

WHEREAS, each of the five funds have their own budget and the resources and expenditures within those funds must balance in order for the budget to be adopted;

WHEREAS, the budget adopted by the LTD Board of Directors creates the authority for LTD to spend public money;

WHEREAS, the budget is based on LTD's good faith estimate of expected resources and expenditures for the year;

WHEREAS, Oregon Local Budget Law allows for changes after the budget is adopted known as a "supplemental budget" (ORS 294.473);

WHEREAS, supplemental budgets are required for transfers and expenditures that expect to exceed the adopted budget by greater than 10%;

WHEREAS, the LTD Budget Committee (the LTD Board plus an equal number of citizen electors) met on October 6, 2021, and made a recommendation for the Board to adopt the staff recommended FY22 Supplemental

WHEREAS, a public hearing was held at the regular board meeting on October 20, 2021.

WHEREAS, LTD staff continually monitor changes and trends that may have an adverse impact on the adopted budget both to ensure that we live within our affordable means and because many uncertainties exist within our assumptions. Although we are still early in the fiscal year, we are seeing a number of trends which pose potential risks as follows:

Medicaid Fund

- Our FY22 budget included an assumption that PacificSource would continue a trend accounting for an increasing share of Medicaid membership, thereby reducing the number of Trillium clients. We have instead seen Medicaid membership stabilize. . In an abundance of caution, we propose increasing the Trillium Medicaid budget by \$250,000. Trillium reimburses LTD 100 percent of the costs to provide non-emergent medical transportation. This increase is therefore considered to be budget neutral.

Specialized Services Fund:

Our FY22 budget for Metro ADA services provided by MTM was based on the pricing that existed at the time the budget was developed. Regulatory changes and COVID 19 protocols have resulted in an increase in administrative and variable rate trip costs. Assuming ride volume returns to pre-pandemic



levels, but at the current new rate, we propose increasing the Specialized Services Fund budget by \$1.5 million. This increase, is covered by a transfer from the General Fund. That General Fund transfer would be covered by increased payroll tax revenues

1. Medicaid Fund: Expenditures are forecasted to exceed budget by \$2.5 million as a result of increases in Trillium and Pacific Source Medicaid medical service volume increases and non-emergency medical provider service cost increases from increased OAR 410-141-3920 – 410-141-3965 requirements which became effective January 1, 2020. LTD is contractually obligated to provide non-emergent transportation services based on least-cost, most appropriate mode of transport for all eligible trips, for all eligible individuals for the Coordinated Care Organizations (CCO) coordinating services for OHP members primarily within Lane County. These include trips within and outside of our region. Trillium and Pacific Source both reimburse LTD 100 percent for the costs to provide the non-emergency medical services. Increased costs resulting from additional OAR requirements are covered through negotiated administrative state reimbursement rates.
2. Medicaid Fund: In January 2020, the Comprehensive Annual Financial Report (CAFR) was issued. The FY20 Medicaid Fund had a beginning working capital assumption of \$132,000, but the CAFR actual beginning working capital was only \$5,831.

WHEREAS, the proposed Fiscal Year 2021-2022 Supplemental Budget request is summarized below:

- Medicaid Fund expenditure increase of \$250,000 resulting in a total expenditure budget of \$15,167,220
- Specialized Services Fund expenditure increase of \$1,500,000 resulting in a total expenditure budget of \$13,214,631
- General Fund transfer increase to the Specialized Services Fund of \$1,500,000 resulting in a transfer from the General Fund to the Specialized Services Fund of \$5,236,631.

NOW, THEREFORE, BE IT RESOLVED that the Lane Transit District Board of Directors, approves a resolution as follows:

- Adopting the Fiscal Year 2021-2022 Supplemental Budget for the Medicaid, Specialized Services and General Fund as presented.

ADOPTED BY THE LANE TRANSIT DISTRICT BOARD OF DIRECTORS ON THIS 17TH DAY OF NOVEMBER, 2021.


Caitlin Vargas (Nov 18, 2021 08:40 PST)

Board President, Caitlin Vargas