



FY 2019 Recommended Budget Budget Question

Board Question #: 22

BUDGET QUESTION: Is there an option to get funding from the State for the Social Services building?

RESPONSE: A local Department of Social Services (LDSS) can be reimbursed for or recover costs associated with buildings and building operations in one of two ways:

1. direct expenses (for example, lease costs and utilities) which are reported by the locality in their Staff & Operations–Base and Staff & Operations–Fed Pass-thru expenditures; or
2. indirect expenses (for example, building depreciation) included in a cost allocation plan submitted to the state annually.

A locality cannot report the same facility in both places. There is no other funding stream to access for building and non-program specific operational costs, and there is not a route for 100% reimbursement of facility costs whether the facility is owned or leased.

We are currently reimbursed for a portion of building depreciation of the space and utilities used by DSS in the Merchants Square building. If we were to rent a building instead, we would instead be reimbursed a portion of the lease costs. We cannot reasonably expect the revenue from the State to be drastically different for lease costs than it is for depreciated costs on the current space.

The County Administrator has asked Finance and DSS staff to provide a comparison of state funding available and local costs involved in leasing versus owning DSS facilities of comparable size, in an effort to determine whether either approach to housing the department would have a significant monetary advantage over time.