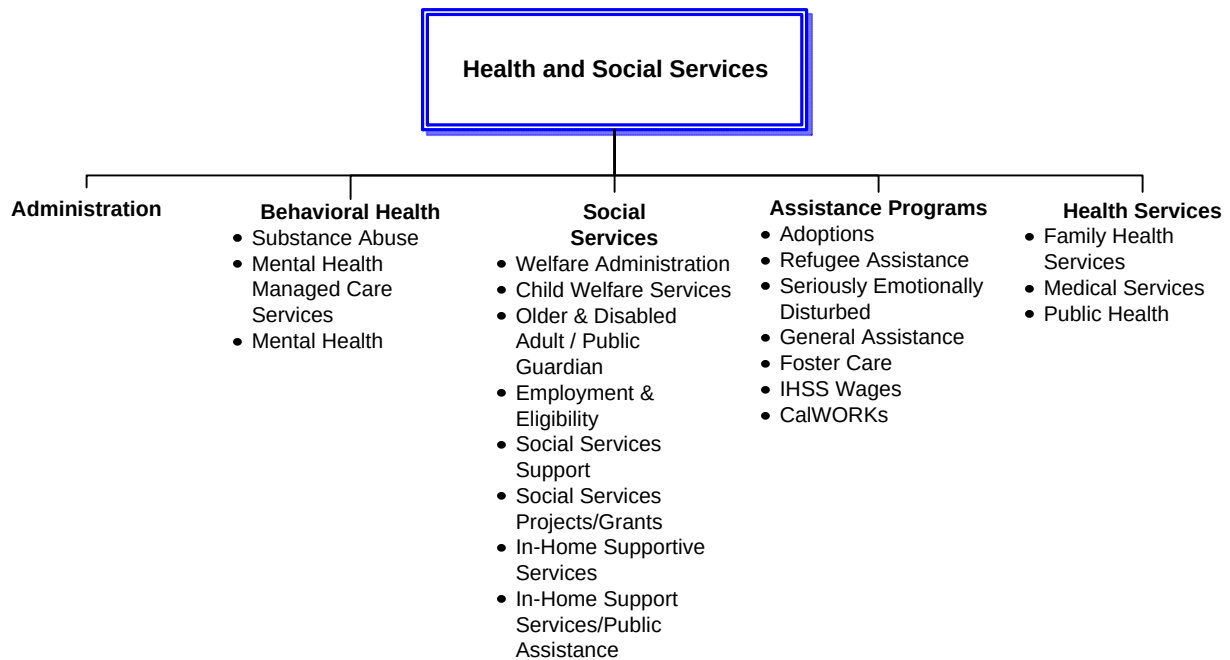




DEPARTMENTAL PURPOSE

The Department of Health and Social Services (H&SS) provides cost-effective services that promote self-reliance and safeguard the physical, emotional and social well-being of the people of Solano County. The Department administers health and social service programs that counties are required to provide under State law.

Budget Summary:

FY2010/11 Third Quarter Projection:	261,167,707
FY2011/12 Recommended:	270,556,782
County General Fund Contribution:	25,503,020
Percent County General Fund Supported:	9.4%
Total Employees (FTEs):	1032.0

FUNCTION AND RESPONSIBILITIES

H&SS is functionally divided into five divisions: Administration, Social Services, Behavioral Health Services, Health Services and Assistance Programs.

Administration (7501) provides day-to-day management and direction, research, planning and compliance activities, budget and fiscal management, contract management services and business services, including payroll, recruitment, and departmental training for customer services and special investigations.

Social Services (7680) includes Employment and Eligibility Services (E&ES), Welfare Administration (WA), Child Welfare Services (CWS), Older and Disabled Adults Services (ODAS), and Public Guardian.

- E&ES promotes self-sufficiency by assisting low-income families and individuals with obtaining employment, access to health care, food and cash assistance.
- CWS protects children from abuse, neglect, and provides programs to strengthen families. When this is not possible, CWS finds safe, permanent homes for children so they may grow into healthy, productive adults.
- ODAS focuses on comprehensive, integrated assistance for older and disabled adults, including domestic and personal in-home services, the investigation and prevention of elder abuse and neglect, and assistance accessing Medi-Cal, food stamp and cash assistance programs. The Public Guardian's Office was consolidated with ODAS in 2011 and serves as the County's guardian/conservator. Appointed by the Courts for individuals who are unable to care for themselves and/or

manage their own affairs, the Public Guardian also serves as the Public Administrator when the decedent has no next of kin. The Public Administrator directs the disposition of remains and decedents' estates, as needed.

Behavioral Health Services (7780) includes Mental Health Services, Substance Abuse Services and Mental Health Managed Care. The Division provides treatment, case management, rehabilitation and community support services to seriously emotionally disturbed or mentally ill children and adults. This includes emergency psychiatric services and involuntary hospitalizations. The Mental Health Services Act (Prop 63) provides funds for intensive case management for high-risk clients, and funds a variety of early intervention and prevention services, information technology projects, and supportive housing. The Substance Abuse program provides assessment and authorizations for treatment services which are provided by a number of community-based organizations, prevention, intervention, and recovery services to combat alcoholism and other drug addictions.

Health Services (7880) includes Public Health, Family Health and the Medical Services Budget. The Public Health Division provides mandated community health services to promote a healthy environment for all County residents including emergency medical services (EMS); public health laboratory testing; public health nursing and home visiting; communicable disease surveillance; Maternal, Child and Adolescent Health programs including Baby First; Women, Infant and Children's (WIC) and general nutrition services; health education; and promotion activities. Family Health Services operates 4 primary care clinics, 1 dental clinic, dental services at WIC clinics, and will begin offering mobile dental services this year. The Medical Services budget provides funds for the County's medically indigent adult services through participation in the County Medical Services Program (CMSP).

The Assistance Program (7900) budget includes Federal, State and County funding for all of the welfare cash assistance programs administered by H&SS. Programs include CalWORKs, Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Placements, In-Home Support Services (IHSS) program, General Assistance (GA), Care of Court Wards and Special Circumstances. The Seriously Emotionally Disturbed (SED) (AB3632) program is not included in the FY2011/12 budget because the mandate was suspended by the Governor in December 2010 and defended by a Court of Appeals in April 2011. In addition, H&SS also administers the Food Stamp program; however, the costs of the food stamp benefit is federally funded, and also not included in the budget.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Administration	4,084,898	4,229,185	5,201,524	972,339	23%
Behavioral Health	57,290,543	59,320,399	56,842,595	(2,477,804)	(4%)
Health Services	45,781,813	51,027,164	52,746,815	1,719,651	3%
Social Services	79,795,904	88,611,015	86,010,935	(2,600,080)	(3%)
Assistance Programs	63,633,484	63,901,350	69,201,502	5,300,152	8%
TOTAL REVENUES	250,586,642	267,089,113	270,003,371	2,914,258	1%
APPROPRIATIONS					
Administration	4,373,246	4,229,185	5,228,022	998,837	24%
Behavioral Health	54,618,698	59,320,399	56,842,595	(2,477,804)	(4%)
Health Services	45,489,449	51,027,164	52,746,815	1,719,651	3%
Social Services	79,756,636	88,611,015	86,010,935	(2,600,080)	(3%)
Assistance Programs	63,723,467	63,178,654	69,201,502	6,022,848	10%
TOTAL APPROPRIATIONS	247,961,496	266,366,417	270,029,869	3,663,452	1%
NET CHANGE					
Administration	288,348	0	26,498	26,498	0%
Behavioral Health	(2,671,845)	0	0	0	0%
Health Services	(292,364)	0	0	0	0%
Social Services	(39,268)	0	0	0	0%
Assistance Programs	89,983	(722,696)	0	722,696	(100%)
TOTAL NET CHANGE	(2,625,146)	(722,696)	26,498	749,194	(104%)
STAFFING					
Administration	84.00	81.00	74.50	(6.5)	(8.02%)
Behavioral Health	232.55	220.05	185.15	(34.9)	(15.86%)
Health Services	224.55	227.80	232.80	5.0	2.19%
Social Services	595.50	561.00	540.55	(20.45)	(3.65%)
Assistance Programs	0.00	0.00	0.00	0.0	0%
TOTAL STAFFING	1,136.60	1,089.85	1044.65	(56.85)	(5.22%)

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the Department of Health and Social Services of \$270,556,782 represents an overall increase of \$2,902,071 or 1.1% in revenues and \$3,624,774 or 1.4% in expenditures when compared to the FY2010/11 Adopted Budget. However, the Net County Contribution of \$25,503,020 has decreased by a net amount of \$3,322,129, or 11.5%, which reflects a \$7 million or 34% reduction in County General Fund contribution for H&SS operations and an increase of \$3,685,883 in County General Fund required for various Public Assistance programs.

The primary funding sources for H&SS are Federal and State Program Revenue, 1991 State-Local Realignment, and County General Fund contribution for Maintenance of Effort (MOE) and required match for Board approved programs.

Program Revenue

Program revenues are earned primarily by two methods: (1) time studies, in which staff document hours worked in each program/activity. The Department then submits a claim for reimbursement of the Federal and State share of costs based on the results of the time study; and (2) billable units of services, in which services provided by the Department to clients are billed to various payer sources (such as Medi-Cal and Medicare).

County overhead and Department administrative costs are distributed to all programs in H&SS and included in each program's budget. These administrative costs include fixed operational expenses such as utilities, DoIT and A-87 charges, and are incorporated in claims for Federal/State reimbursement and in H&SS' billing rates. As a result, the majority of revenues received by H&SS include reimbursement for both the costs associated with the individual employee providing the specific service as well as Department administrative costs and direct charges from other County Departments, which total \$9,400,000,

and A-87 charges, which total \$4,464,163. For example, the average salary and benefits for an Eligibility Benefits Specialist (EBS) is \$85,000; however, the actual reimbursement received by H&SS averages \$200,000 per FTE, and therefore funds \$115,000 for administrative and fixed operating costs for every filled EBS position.

While the County receives an “allocation” from the State for many of the H&SS programs, the amount of actual revenue received is dependent upon the actual costs of providing the services, which is primarily driven by labor costs. Reimbursement rates and methodologies vary by program and are outlined below by cost centers.

Eligibility & Employment/Welfare Administration requires a Maintenance of Effort (MOE) of \$1.8 million in CGF; all costs above this amount are reimbursed at 100% up to the annual funding allocations set by the State for the County. Funds for administration of CalWORKs, Food Stamp, Medi-Cal and other public assistance programs are allocated to counties based primarily on their caseloads. However, due to staff reductions, H&SS was not able to claim reimbursement for the full amount of the funding allocations in FY2009/10 and FY2010/11. The Recommended Budget assumes that these funding allocations will be under spent in FY2011/12 as well. As a result, fixed operating costs, Department overhead and A87 charges will have to be absorbed by other H&SS Divisions, and funded primarily by CGF, rather than outside revenue.

All Social Service Divisions are included in the quarterly “welfare claim.” County General Fund and 1991 State-Local Realignment revenues provide the local match (the percentage of which varies by program).

In Family Health Services (FHS), Mental Health and Substance Abuse programs, costs are reimbursed via billed units of service, and reconciled in annual cost reports. Costs in FHS, as a Federally Qualified Health Center (FQHC), are reimbursed at 100% of allowable costs for billed units of services. Mental Health adult services are reimbursed at 50% of costs up to a maximum allowable rate. Mental health children’s services are reimbursed at approximately 89% of costs. Substance Abuse services, primarily provided by contractors, are billed at the State’s Drug Medi-Cal rates for each type of service provided.

Realignment

Realignment is the second major funding source for H&SS’ programs. The State-Local Realignment, which consists of a fixed percentage of sales tax and VLF revenues, is distributed to counties based on formulas established in 1991. Because the State has not been revising the formulas for the cost of doing business, Realignment revenues do not sufficiently fund the realigned programs’ costs. Moreover, due to the economic downturn, Realignment revenues have declined from \$41.7 million in FY2008/09 to \$35.9 million in FY2010/11. The FY2011/12 budget includes \$36.8 million in Realignment revenue, based on the FY2010/11 third quarter projections and will be used to fund:

CMSP*	\$ 6,871,127
Mental Health	\$ 10,462,419
Health	\$ 7,857,189
Social Services	<u>\$ 11,879,244</u>
Total	\$ 36,799,896

* County Medical Services Program (CMSP) -- the Welfare & Institutions Code requires Solano County to contribute this amount to CMSP regardless of the total amount of Realignment revenues received in any given year.

Realignment requires a County MOE as well as a required match to State funding allocations. Realignment funding received by the County is also used to draw down additional federal funds (Federal Financial Participation). The County is similarly required to provide a match for Realigned programs, including Public Assistance, regardless of the amount of Realignment funding actually received.

County General Fund

The County General Fund (CGF) of \$25,503,020 included in H&SS’ FY2011/12 Recommended Budget is appropriated as follows:

- \$10, 978,627 the County’s mandated share of Public Assistance;
- \$809,548 for participation in CMSP to meet the County’s obligations for indigent care (the balance of \$6.8 million in required County contribution to CMSP is funded with Realignment);

Patrick Duterte, Director of Health & Social Services
Functional Area Summary

7500-H&SS-Department Summary
Health

- \$1,883,510 debt service
- \$252,475 for Board-authorized contributions to other agencies;
- \$3,063,409 required Maintenance of Effort (MOE) related to the 1991 Realignment which provides sales tax and VLF revenues of approximately \$36 million; and
- \$8,515,451 for the local match, primarily to State funding allocations for Realigned programs, and to draw down Federal Financial Participation,

Fixed assets in the amount of \$2,657,628 are included in the Recommended Budget and consist of the following:

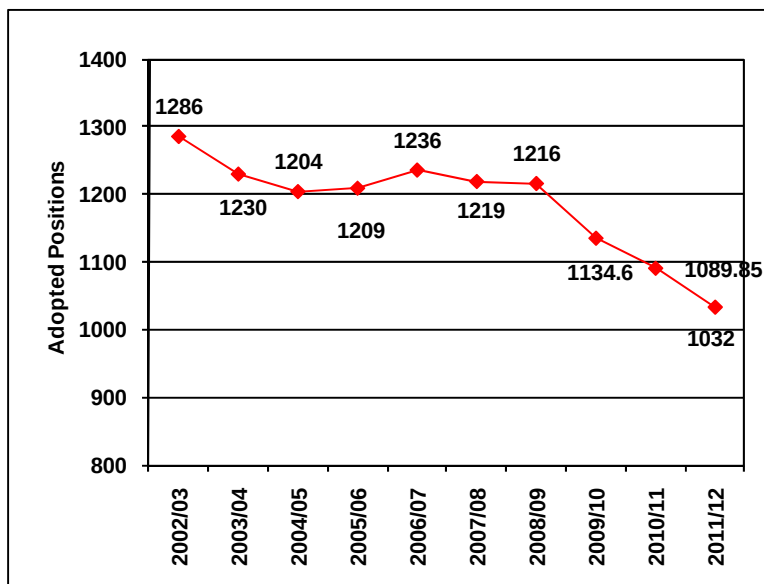
- Behavioral Health - \$500,000 for building improvements at 2101 Courage Drive. The Psychiatric Health Facility (PHF), located at this site, closed at the end of 2010. H&SS has been using other psychiatric hospitals for necessary residential placements. However, there is an unmet need in the County for a lower level of care or "step down" facility which could prevent hospitalization in some cases or help to lessen the length of stay in an acute setting. H&SS is considering establishing a Crisis/Stabilization Unit at Courage Drive to meet this need. Alternatively, the Department is exploring the feasibility of re-locating Children's Mental Health services from rented space at Enterprise Drive when the lease expires in October. One of the options under consideration is to use the former PHF space at Courage Drive for children's services, which would provide collocated behavioral health and primary care services for children at the Beck campus. Once the best use of this currently unoccupied space is identified, H&SS will present the concept to the Board of Supervisors, identify and set aside Mental Health Services Act (MHSA) funds as a possible means to fund the costs of renovations. Additionally, the budget includes \$1,837,081 of capitalized costs for a Electronic Health Record (EHR) system and \$60,000 for computer equipment associated with the Electronic Health Record (EHR) system, funded with MHSA funds.
- Health Services \$73,865 for dental equipment for the Vallejo Clinic, and \$186,682 for capitalized costs associated with EHR implementation funded through Federally Qualified Health Center (FQHC) revenues.

DEPARTMENT COMMENTS

None.

COUNTY OF SOLANO STATE OF CALIFORNIA SCHEDULE 09 BUDGET UNIT FINANCING USES DETAIL FOR THE FISCAL YEAR 2011-2012						
FINANCING USES CLASSIFICATIONS APPROPRIATIONS AND REVENUES	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 DEPT REQUESTED	2011/12 CAO RECOMMENDE D	FROM ADOPTED TO RECOMMENDE D	PERCENT CHANGE
APPROPRIATIONS						
ADMINISTRATION DIVISION	4,373,249	4,229,185	5,309,032	5,201,524	972,339	23%
SOCIAL SERVICES DEPARTMENT	79,756,636	88,611,015	87,789,331	86,010,935	(2,600,080)	(3%)
IN-HOME SUPPORTIVE SERVICES PA	566,436	565,599	553,412	553,412	(12,187)	(2%)
BEHAVIORAL HEALTH	54,514,343	59,320,399	58,881,759	56,842,595	(2,477,804)	(4%)
PUBLIC HEALTH DIVISION	0	0	0	0	0	0%
HEALTH SERVICES	45,489,449	51,027,156	52,416,952	52,746,814	1,719,658	3%
ASSISTANCE PROGRAMS	63,723,467	63,178,654	69,968,207	69,201,502	6,022,848	10%
TOTAL APPROPRIATIONS	248,423,580	266,932,008	274,918,693	270,556,782	3,624,774	1%
REVENUES						
Program Revenue	188,752,581	205,812,391	216,580,934	211,528,849	5,716,458	3%
Realignment	31,145,377	32,294,468	33,512,610	33,524,913	1,230,445	4%
General Fund Contribution	28,525,623	28,825,149	24,825,149	25,503,020	(3,322,129)	(12%)
TOTAL REVENUES	248,423,580	266,932,008	274,918,693	270,556,782	3,624,774	1%

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

As of March 2011, the State's FY2011/12 proposed budget made substantial cuts in human services programs, which will significantly impact H&SS clients. However, State funding for the administration of most human services programs in FY2011/12 is anticipated to remain at the current level. As of this writing, the May revise presented on May 16, 2011, appears to maintain all of the previously enacted budget cuts without further reductions to programs. The following are outstanding legislative and budgetary issues that County staff will continue to monitor and advise the Board of any significant changes:

Mental Health: Seriously Emotionally Disturbed (SED)/AB3632 Program – The program provides mental health services, including residential placement to children in conjunction with local schools. The court in April 2011 has ruled that the Governor's action in the fall of 2010, which eliminated funding for the program, effectively suspend the mandate. The State budget proposed in January 2011 incorporated this program in the Public Safety Realignment legislation and funding. However, in the May 16, 2011 Revise the program is removed from the Realignment package, and transfers responsibility for these services, including residential, to school districts. H&SS has developed a Memorandum of Understanding with the Office of Education for FY2010/11 and anticipates that most of the costs for services provided will be reimbursed. H&SS will continue to work with the Office of Education to ensure a smooth transition of services that cease at the end of the school year. H&SS will continue to provide services to children currently in this program who meet criteria for MediCal after July 1, 2011. There may be some costs associated with the transitional period which are unknown at this time.

Employment & Eligibility: CalWORKS Grants - The reductions enacted by the State in March primarily impact the program as it relates to client benefits. Some of the more significant changes include an 8% cut in grants, a reduction in the time limit for adults to receive assistance from 60 months to 48 months, and an additional cut in grants for safety net and child-only cases that exceed 60 months. The full impact of these changes has not yet been identified by the State or County, but some potential impacts could be an increase in homelessness and child neglect reports due to the potential economic hardship on individuals and families.

Older and Disabled Adult Services: include In-Home Support Services (IHSS) where changes enacted by the State in March 2011 achieves savings in IHSS by requiring physician certification to receive IHSS services and domestic service and potentially a reduction equivalent to an 8.4% reduction in hours of service. Other components of the cuts were proposed but not finalized by the Legislature. These options may have a potential impact on the program as well as those it serves. The State will also participate in a new Federal program, Personal Choice Option, which will provide more comprehensive services to clients, with the goal of reducing institutionalization. Under the Personal Choice Option program, federal funding will increase, which may mitigate the need for further cuts to this program.

Public Health/Mental Health: First 5 funding – The May 2011 Governor's budget continues to redirect \$1 billion in Proposition 10 funds, but as a precaution does not assume that the proposed redirection of First 5 for State funded children's health services will be available. This assumption is based on current litigation against the State by local First 5 commissions, and if upheld, will not allow for a diversion of First 5 funding in FY2011/12. The local First 5 Commission has indicated that First 5 programs with contracts in place will continue in FY2011/12 and that sufficient funding is available. First 5 funds several programs in H&SS including matching funds for the Baby First program and mental health services for children 0 to 5 years old.

A major component of the Governor's FY2011/12 budget includes the realignment of public safety programs administered by the State to counties. Within H&SS, this includes CWS, Substance Abuse, Mental Health, Adult Protective Services and CalWORKS. Details of the realignment proposal are still being negotiated at the State level and have not been incorporated in the County budget. Concerns expressed by counties, including guaranties of a reliable funding stream, are still being taken into consideration.

Federal Government: FY2011/12 Budget – The current discussion at the Federal level is focusing on spending cuts to balance the budget and reduce the Federal debt. While the Continuing Resolution adopted in April to fund the Federal government through September made cuts to a variety of programs, none had significant impacts to H&SS. The majority of federally funded programs operated by H&SS are entitlement programs; therefore, significant programmatic changes must be enacted at the Federal level in order to reduce program costs. While many programs are under review, most of the entitlement programs are not part of the current reduction plans. The discussion for additional spending reductions in FY2011/12 is ongoing as Congress seeks to address its multi trillion dollar deficit, and may lead to a greater impact on H&SS programs and clients in the upcoming year if significant spending reductions are adopted.

**7500-H&SS-Department Summary
Health**

**Patrick Duterte, Director of Health & Social Services
Summary of Other Administered Budgets**

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1520-In-Home Support Services	2,836,588	2,789,445	2,753,453	(35,992)	(1%)
7950-Tobacco Prevention & Education	185,406	190,000	201,985	11,985	6%
APPROPRIATIONS					
1520-In-Home Support Services	2,836,588	2,789,445	2,753,453	(35,992)	(1%)
7950-Tobacco Prevention & Education	187,151	190,000	201,985	11,985	6%
NET COUNTY COST					
1520-In-Home Support Services	0	0	0	0	0%
7950-Tobacco Prevention & Education	1,745	0	0	0	0%

The Department's respective 'other' budget units follow.

DEPARTMENTAL PURPOSE

Health and Social Services' (H&SS) Administration Division provides direction and support functions needed for the Department to realize a high quality level of service for its clients.

FUNCTION AND RESPONSIBILITY

The Administration Unit includes the Executive Administration directing the overall management of the Department. The Research, Planning and Compliance Units provide strategic analysis and program development. The Budget and Financial Management Unit includes budget development and monitoring, claiming for Federal and State revenues, fiscal administration, general accounting, and patient accounting and claiming. The Contracts Management Unit supports managers with processing and fiscal monitoring of more than 500 annual contracts for services. The Business Services Unit provides payroll processing, and coordinates recruiting and hiring, records management, facilities, information technology, purchasing and labor relations.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Due to funding reductions from Federal, State, and County sources administration costs have been reduced proportionally in the past three years. In addition, H&SS Administration works closely with County internal service departments whose resources have been diminished by funding cuts to prioritize and address various H&SS administrative needs. The use of new available information technology, once implemented will further automate the process of purchasing, child welfare court reports, health records, personnel actions and time sheets, which will assist remaining staff following the reductions.

The challenge facing the Budget and Financial Management Unit is to meet the increased demand in the volume and complexity of federal, state and local reporting requirements with a reduced staffing level. While the economic downturn forces resource reductions, H&SS Administration is engaged in maximizing revenues to enable the department to secure funding to sustain services. For example, the Division is responsible for negotiating with the State Department of Healthcare Services (DHCS) on an Intergovernmental Transfer (IGT) which will bring about \$4 million in new revenue to behavioral health services.

WORKLOAD INDICATORS

- During the period of January 2010 through December 2010, processed 541 contracts for services within required time constraints.
- Collaborated with Human Resources to hold the vacancy rate at 3.5% of funded positions to support continuity of services.

DEPARTMENTAL SUMMARY

The Recommended Budget for Administration of \$5,201,524 represents an overall increase of \$972,339 or 23% in revenues and expenditures when compared to its FY2010/11 Adopted Budget with no change in the Net County Contribution of \$2,022,783.

The primary funding sources for Administration include \$10,153,466 in Intra-Fund Transfers representing reimbursement of allowable administrative costs from various H&SS program divisions; \$97,361 in Federal Administrative Revenues for Medi-Cal Administrative Activities (MAA) reimbursable Admin activities; \$153,639 in Contract Services for administrative fees related to the oversight and coordination of the MAA Targeted Case Management (TCM) program on behalf of participating HSS divisions, other County departments and community-based organizations; \$335,750 in Operating Transfers-In from Fund 239 representing board-approved contribution to the community clinics; and \$2,022,783 in General Fund Contribution primarily used to fund debt service cost and Board-approved contributions to other Non-County agencies of \$252,475. The Administration budget also includes Federal Administrative Revenues of \$2,100,234 representing MAA/TCM and Housing and Urban Development (HUD) revenues that are passed-thru to community based organizations participating in these programs and are not used to fund or support operating activities within Administration. These revenues are accounted for in Administration in compliance with Government Accounting Standards Board (GASB) and federal reporting requirements.

Primary costs are \$7,494,540 in salaries and benefits; \$4,443,094 in Services and Supplies of which \$1,960,003 represent MAA/TCM and HUD pass-thru costs; \$1,295,795 in Other Charges which includes direct charges of \$452,844 from other County departments and Board-approved contributions to Non-County agencies of \$588,225; and \$2,208,561 in Operating Transfers-Out representing debt service payment of \$1,883,510 and Pension Obligation Bond (POB) of \$325,051.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	264,781	120,000	200,000	80,000	67%
Intergovernmental Rev Federal	1,397,085	1,786,774	2,197,595	410,821	23%
Charges For Services	788,429	299,628	445,396	145,768	49%
Misc Revenue	47,194	0	0	0	0%
Other Financing Sources	0	0	335,750	335,750	0%
General Fund Contribution	1,587,409	2,022,783	2,022,783	0	0%
TOTAL REVENUES	4,084,898	4,229,185	5,201,524	972,339	23%
APPROPRIATIONS					
Salaries and Employee Benefits	7,549,240	7,990,581	7,494,540	(496,041)	(6%)
Services and Supplies	3,244,733	4,376,475	4,443,094	66,619	2%
Other Charges	1,563,106	1,064,425	1,269,297	204,872	19%
F/A Equipment	10,277	0	0	0	0%
Other Financing Uses	1,730,511	2,060,824	2,235,059	174,235	8%
Intra-Fund Transfers	(9,724,619)	(11,263,120)	(10,240,466)	1,022,654	(9%)
TOTAL APPROPRIATIONS	4,373,249	4,229,185	5,201,524	972,339	23%
NET COUNTY CHANGE	288,351	0	0	0	0%
STAFFING	84	81	74	(7.5)	8%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The net increase of \$972,339 in revenues is the result of the following:

- Increase of \$80,000 interest income based on Third Quarter projection of average daily cash balance for Fund 902
- Increase of \$410,821 due to anticipated increase in MAA/TCM revenues including those that are passed-thru to community-based organizations.
- Increase of \$145,768 in Contract Services due to an anticipated increase of \$57,591 in MAA/TCM administrative costs recouped from participating community-based organizations and an increase of \$88,177 in Countywide Administrative Overhead credit.
- Increase of \$335,750 in Other Financing Sources from an increase in Operating Transfers-In from Fund 239 Tobacco Settlement to fund the contributions to community clinics previously budgeted under Health Services. This is the last year of the available funds in Fund 239 Tobacco Settlement and is only available because Health and Social Services received unanticipated revenue on April 15, 2011, which will be used to make the contribution for FY2010/11. A decreased draw for FY2010/11 enables the remaining Tobacco Settlement Funds to be utilized in FY2011/12. Fund 239 Tobacco Settlement will have a zero balance at the end on FY2011/12.

Net increase of \$972,339 in expenditures is the result of the following:

- Decrease of \$496,041 in Salaries and Benefits due to staff reductions
- Increase of \$66,619 in Services and Supplies primarily due to increase in MAA/TCM pass-thru costs for community based organizations of \$297,933 offset by decreases in office supplies, contracted services, maintenance – bldgs and improvement, communication, utilities, etc.
- Increase of \$204,872 in Other Charges is primarily the contributions to community clinics of \$335,750 previously budgeted under Health Services are now budgeted in Administration; increase in direct charges of \$77,678 from Human Resources for a 1.0 FTE Office Assistant II, offset by a decrease of (\$187,150) in anticipation of reduced work-order/Sprocket direct charges from General Services.
- Increase of \$174,235 in Other Financing Uses reflects an increase in debt service costs.

- Increase of \$1,022,654 in Intra-Fund Transfers reflects a decrease of \$974,561 in administration costs reimbursed from H&SS program divisions and a decrease of \$48,093 reimbursed from Behavioral Health as a result of fewer Administration staff time-studying to the Mental Health MAA program.

The program funding cuts sustained by H&SS divisions to address the County's structural deficit and the department's management restructuring plan with reduced staffing in Administration have impacted Administration's level of service. The Division's Recommended Budget reflects a 7.5 FTE net reduction in staffing.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations are provided below.

- On September 14, 2010, 1.0 FTE HSS Training & Hiring Coordinator was deleted as a result of the Early Retirement Incentive separation and the support function transferred to Human Resources.
- On October 15, 2010, 2.0 FTE Courier positions were transferred from General Services to Administration to address inter-facility movement of records and supplies.
- On October 26, 2010, the following positions were deleted in Administration as a result of the FY2010/11 Budget Reductions to address a reduction in the general fund contribution to H&SS as part of the overall structural deficit reductions.
 - 1.0 FTE Senior Accountant
 - 1.0 FTE Accountant
 - 1.0 FTE HSS Planning Analyst
 - 1.0 FTE Accounting Clerk
- On December 14, 2010, the Board approved the elimination of .5 FTE Staff Analyst position, and reinstated fiscal positions previously deleted by the Board on October 26, 2010 as part of the Department's Administrative reorganization and planned revenue enhancement initiatives to reduce General Fund contribution to support progress in H&SS by \$1.0 million. Human Resources classified these positions in April 2011.
 - 0.5 FTE Staff Analyst
 - 1.0 FTE Accountant
 - 1.0 FTE Accountant (Senior)
- On April 5, 2011 the following 9 FTE were eliminated as a result of the reduction of staff to address further reductions in General Fund contribution through the use of PARS early retirement:
 - 1.0 FTE Clerical Operations Supervisor
 - 1.0 FTE Office Assistant III
 - 2.0 FTE Office Coordinator
 - 1.0 FTE Office Supervisor
 - 1.0 FTE Policy and Financial Analyst
 - 1.0 FTE Sr. Staff Analyst
 - 2.0 FTE Staff Analyst
- On April 15, 2011 the addition or replacement of the following 4 FTE positions as a result of PARS early retirement adjustments:
 - 2.0 FTE Accountant
 - 1.0 FTE Office Supervisor
 - 1.0 FTE Staff Analyst

- The Recommended Budget for FY2011/12 also includes the deletion of 1.0 FTE Staff Analyst position, as part of the County General Fund reductions in Health and Social Services for FY2011/12 to address in part the requested 10% labor cost reduction.

PENDING ISSUES AND POLICY CONSIDERATIONS

The Administration Division provides key support functions to so the Department can realize a high quality level of service. The challenge for the Division is to meet and comply with various federal and state financial reporting demands in a volatile political environment.

DEPARTMENTAL PURPOSE

The Behavioral Health Division includes Mental Health, Mental Health Managed Care, and Substance Abuse. Integration of these programs allows the Department of Health and Social Services (H&SS) to efficiently monitor and manage programs and expenses as a comprehensive behavioral health system of care. The Department anticipates additional advantages as behavioral health services are integrated with primary care services and the Department proceeds with automating client health records.

Behavioral Health provides mental health services in accordance with Title 9, California Code of Regulations, Sections 1820.205, 1830.205, and 1830.210. Substance Abuse Services are delivered under the authority of Title 45, Code of Federal Regulations and California Health and Safety Codes Section 11750-11997.

FUNCTION AND RESPONSIBILITY

The Mental Health provides emergency psychiatric services 24 hours a day, seven days a week. As part of the overall Mental Health Plan, along with the following services:

- Managed-care services, treatment, and rehabilitation and community-support services to seriously emotionally disturbed children and seriously mentally ill adults.
- Provides cost-effective services that promote self-reliance and safeguard the physical, emotional, mental and social well-being of Solano residents.
- Oversees the provision of quality assurance, utilization management, beneficiary problem resolution, authorization and denial of services, maintenance of financial records, policies and procedures, and assuring cultural competency in the provision of services.

Substance Abuse Services provide prevention, intervention, treatment and recovery services for alcoholism and other drug addictions. Youth, adults, probationers and parolees are served by the Substance Abuse which offers the following services:

- Assessment of clients' alcohol and drug abuse treatment needs and authorization of appropriate services. Preferential placement is given to pregnant women.
- Case management.
- Authorization of alcohol and drug detoxification.
- Outpatient counseling through individual, group and family sessions.
- Residential treatment for pregnant and postpartum mothers, women and men.
- Behavioral Health services for California Work Opportunity and Responsibility to Kids (CalWORKs) participants.
- Administration of drug diversion services through Penal Code 1000, Substance Abuse and Crime Prevention Act of 2000 (SACPA, Prop 36), along with Adult and Dependency Drug Courts.
- Parolee Services and Driving under the Influence (DUI) programs.
- Federally mandated HIV and AIDS testing and education in coordination with Public Health.
- Federally mandated Primary Prevention Services to delay the onset of youthful Alcohol, Tobacco and Other Drug use.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Solano County Mental Health has experienced a significant increase in the number of hospitalizations of mental health consumers—from 434 in FY2008/09 to 836 in FY2009/10 (the latest year data is available). Hospitalizations are the highest and most restrictive level of care consumers may need, and thus, require significant resources.
- Due to funding reductions, seriously mentally ill (SMI) adults are experiencing a wait time of up to eight weeks to receive mental health services from Solano County Mental Health, and more than 86 seriously emotionally disturbed children are on a wait list triaged frequently and prioritized for services according to need however, some have to wait 4 to 6 weeks for service.

- The Substance Abuse Division began offering an evidence-based program (Matrix) to Solano County residents who are waiting to participate in weekly groups for treatment. The program is more extensive and valuable than what is minimally required by the program's principal federal funding source. Program materials are available at no cost to the County General Fund. The result is that clients are better prepared to take advantage of treatment when placed with a contracted provider. These services are becoming increasingly important as wait times increase.
- An integration of mental health with primary care health services began on FY2010/11 and is expected to become fully integrate in FY2011/12 in order to provide comprehensive health services to a high-risk population and to recover some cost through FQHC billing.
- Partnership for Early Access for Kids (PEAK) won the 2010 National Association of Counties (NACO) Achievement Award for its unique approach to addressing early childhood mental health. PEAK served 718 children in 2009 birth to age five and increased the number of underserved populations receiving mental health services.
- The County has received a Judicial Assistance Grant (JAG) funding for clients formerly receiving services under Prop 36. This has allowed Substance Abuse clients to enter treatment immediately after assessment by one of the Division's clinicians. This program is currently funding 60 outpatient slots, 20 residential treatment slots, and partially funding a Probation Officer and a Mental Health Worker.
- The Substance Abuse Division's grant-funded adult drug court component offers case management and treatment services to clients who have failed to complete the JAG or Prop 36 requirements. This successful program has had a graduation rate twice that of its drop-out rate.
- Out-stationed mental health services in geographic locations where County mental health services did not exist previously, including Dixon, Rio Vista, and Vacaville (adult services) through the Community Access to Resources and Education (CARE). CARE co-locates mental health services at a variety of locations such as Family Resource Centers throughout communities in Solano County.

WORKLOAD INDICATORS:

During the period of July 1, 2009 through June 30, 2010:

- Solano County Mental Health provided mental health services to approximately 10,781 seriously mentally ill adults and seriously emotionally disturbed children. The services were provided through County Programs, Contract Programs and the Managed Care Provider Network.
- Solano County Mental Health Mobile Crisis unit provides crisis case management services to about 819 consumers.
- There were 836 total admissions to psychiatric inpatient facilities.
- The Substance Abuse served about 650 adult clients.
- Currently, outpatient Substance Abuse programs are serving an average of 175 clients in treatment per month and residential programs are averaging 55 clients per month.
- Currently, non-Prop 36 clients are waiting 60 days for Substance Abuse outpatient treatment and up to 120 days for residential treatment.

DEPARTMENTAL BUDGET SUMMARY

- The Recommended Budget for Behavioral Health of \$56,842,595 represents an overall decrease of \$2,477,804 or 4%, in revenues and expenditures when compared to FY2010/11 Adopted Budget. The Net County Contribution of \$3,687,654 was decreased by \$3,251,401 or 46.8% from the FY2010/11 Adopted Budget.
- The primary outside funding sources for Mental Health and Substance Abuse programs are Federal and State funds. Mental Health adult services are reimbursed at 50% of costs up to a maximum allowable rate per service unit, while children's services are reimbursed at approximately 89% of service unit costs. A small portion of revenue is due to third party reimbursements billed by units of service. Substance Abuse services are primarily provided by contractors. Federal revenues provide the majority of funding for services, and a portion of services are billed at State's Drug Medi-Cal rates for each type of service provided.

- The second major funding source is State-Local Realignment revenues, which consists of a dedicated portion of statewide sales tax and VLF revenues. Realignment is distributed to counties based on formulas established in 1991. Mental Health is anticipating receiving \$7,677,196 in Realignment revenue based on FY2010/11 third quarter projections.
- The primary costs are \$18,134,839 in salaries and benefits and \$23,050,465 in direct program service contracts.

SUMMARY OF POSITION CHANGES

Reductions in the Division's position allocations since the adoption of the FY2010/11 Budget are provided below:

- 6.4 FTE Psychiatrist (Board Cert) were transferred from the Mental Health Division to the Family Health Services Division for the Behavioral Health Federally Qualified Centers (FQHC) sites. This transfer began the integration of mental health with primary care health services.
- A resolution was approved on October 26, 2010 deleting 4.0 FTE (vacant) positions:
 - 1.0 FTE Mental Health Specialist II – Limited Term
 - 1.0 FTE Nursing Supervisor
 - 1.0 FTE Office Assistant II
 - 1.0 FTE Patient Benefits Specialist
- On December 14, 2010, as part of Health and Social Services' \$1 million in General Fund Reduction Plan, the following 3.85 FTE (vacant) positions were deleted:
 - 1.35 FTE Mental Health Clinician (Lic)
 - 1.0 FTE Mental Health Medical Director
 - 1.0 FTE Substance Abuse Administrator
 - 0.5 FTE Mental Health Clinical Supervisor
- On April 5, 2011 the following 7.0 FTE were reduced due to Public Agency Retirement Service (PARS) retirements:
 - 1.0 FTE Mental Health Clinician (Lic)
 - 2.0 FTE Mental Health Clinical Supervisor
 - 2.0 FTE Mental Health Clinician (Reg)
 - 1.0 FTE Office Assistant II
 - 1.0 FTE Office Supervisor
- The following 13.65 FTE positions are being deleted as part of the County General Fund reductions in Health and Social Services for FY2011/12 to address in part the requested 10% labor cost reduction:
 - 1.0 FTE Office Assistant II
 - 2.0 FTE Mental Health Specialist II
 - 3.65 FTE Mental Health Clinician (Lic)
 - 3.0 FTE Mental Health Nurse
 - 1.0 FTE Mental Health Services Coordinator
 - 1.0 FTE Clinical Psychologist
 - 1.0 FTE Mental Health Services Manager
 - 1.0 FTE Medical Records Technician (Senior)

PENDING ISSUES AND POLICY CONSIDERATIONS

An integration of mental health with primary care health services began in FY2010/11. Full integration is expected in FY2011/12 and the behavioral health clinics will provide comprehensive health services to a high-risk population and recover eligible cost in a Federally Qualified Health Center (FQHC). The first part of the integration involved psychiatrists providing patient services as part of the FQHC. The second phase of the integration involves adding licensed mental health clinicians and other medical staff to the FQHC. The more integrated service model will incorporate a medical provider to provide physical exams within the clinic. Integration will allow for increased visits, as clients can receive their physical exams along with mental health screenings to determine the level of services needed and then be referred to the appropriate source for treatment. Nationally, mental health consumers die at least 25 years younger than their counterparts due to chronic illnesses. An integrated approach provides a coordinated continuum of health services to a vulnerable population. The Department will be seeking Board support for the reorganization of Mental Health and Health Services early in FY2011/12.

In FY2010/11, State funding for mandated mental health services for special education students, commonly referred to as AB3632, was vetoed by Governor Schwarzenegger. While the Legislature had not suspended the mandate, the former Governor's veto of the funding for the mandate left many questions regarding who was responsible for providing the services and who would be responsible for funding the services. A federal mandate exists that schools are responsible for providing the services, but the state mandated that counties provide the mental health services. On March 25, 2011, an Appeals Court ruled that the mandate was suspended for counties. For FY2010/11 Solano County on advice from legal counsel continued to provide the services through the remainder of the school year and has incurred a General Fund cost. In FY2011/12 the County will cease providing these services, the responsibility per law remains with the schools.

While the mandate as previously known for counties appears to be suspended for FY2010/11. The Governor's May 2011 proposed budget includes using MHSA revenue (Prop 63) to fund Early Periodic Screening Diagnosis and Treatment (EPSDT), Mental Health Managed Care, and AB3632 services. Details of this realignment are pending at this time, there is no clarity of how much State revenue, if any, will be received for these programs.

The total exposure in FY2011/12 for Mental Health is about \$2.9 million in unfunded expenses which are primarily the result of not anticipating any federal or state monies to offset non Medi-Cal AB3632 services. If offsetting revenue is not received through the State's realignment proposal to cover the unfunded expenses, it is anticipated contracts for mental health services provided to children will need to be reduced by approximately \$955,000, and approximately 18 FTE positions will need to be reassigned and/or eliminated.

The actual provider for services to children under AB3632 as of July 1, 2011 given the uncertainty of State funding, and the mandate to provide services on the schools, at this time yields possible several scenarios for the County: (a) the services could continue to be provided by the County and the schools would reimburse the County for the costs; (b) only Medi-Cal services would be provided by the County and the schools would need to contract with a private provider for the non-Medi-Cal services; or (c) the schools could contract with a private provider for services, and the County would serve as a fiscal intermediary to bill Medi-Cal for services provided in the community. As information on the State budget and decisions by the school are made, the Department will explore options to mitigate staff reductions. Options include reducing contracts for services, redirecting staff to other revenue-generating activities, reassigning staff, and/or layoffs.

Patrick Duterte, Director of Health & Social Services
Summary of Other Administered Budgets

7780-Behavioral Health
Health

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Fines, Forfeitures, & Penalty	48,100	78,000	62,000	(16,000)	(21%)
Revenue From Use of Money/Prop	161,769	199,150	6,400	(192,750)	(97%)
Intergovernmental Rev State	34,069,130	38,234,729	39,989,556	1,754,827	5%
Intergovernmental Rev Federal	6,176,018	5,852,453	3,939,861	(1,912,592)	(33%)
Charges For Services	8,939,149	7,993,286	9,125,124	1,131,838	14%
Misc Revenue	679,804	23,726	32,000	8,274	35%
Other Financing Sources	70,371	0	0	0	0%
General Fund Contribution	7,031,020	6,939,055	3,687,654	(3,251,401)	(47%)
TOTAL REVENUES	57,175,361	59,320,399	56,842,595	(2,477,804)	(4%)
APPROPRIATIONS					
Salaries and Employee Benefits	24,418,887	24,280,025	18,134,839	(6,145,186)	(25%)
Services and Supplies	3,568,420	6,098,041	4,904,217	(1,193,824)	(20%)
Other Charges	25,225,780	25,401,027	28,378,846	2,977,819	12%
F/A Bldgs and Imprmts	0	0	500,000	500,000	0%
F/A Equipment	0	30,000	60,000	30,000	100%
F/A - INTANGIBLES	0	0	1,835,335	1,835,335	0%
Other Financing Uses	863,134	1,247,114	1,032,659	(214,455)	(17%)
Intra-Fund Transfers	438,121	2,264,192	1,996,699	(267,493)	(12%)
TOTAL APPROPRIATIONS	54,514,343	59,320,399	56,842,595	(2,477,804)	(4%)
NET COUNTY CHANGE	(2,661,018)	0	0	0	0%
STAFFING	232.55	220.05	185.15	(34.90)	15.86%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Due to a significant decrease in state and federal funding, amounting to almost \$2.9 million, primarily for mental health services for seriously emotionally disturbed children, and deep reduction in County General Fund support, the Recommended Budget includes proposed reductions of 13.65 FTE vacant positions and 7.0 FTE filled positions that accepted the PARS retirements on April 30, 2011, primarily in the Mental Health Division. These staffing reductions will result in a continued reduction in the availability of mental health services for children and adults.

More mental health consumers are being admitted to hospitals due in part to the lack of supportive services in the community. This trend of increased hospitalizations has resulted in an anticipated increase of \$1,113,520 in inpatient hospital bed costs. In FY2010/11, the Psychiatric Health Facility (PHF) located at Courage Drive ceased operations. As a result of this closure, the Mental Health Division began placing more consumers at Napa State Hospital for 5150 hospitalizations. While the bed cost at Napa State Hospital is less than what PHF charged, traditionally lengths of stay at Napa State Hospitals are longer so the Department has not experienced cost savings due to the lower bed rate. Solano County has been working with Napa State Hospital to streamline admissions and work collaboratively to reduce lengths of stay in order to step clients down quicker to a more appropriate placement and to reduce costs.

Mental Health Services Act (MHSA) (Proposition 63) monies continue to be major source of revenue for the Mental Health Division. The FY2011/12 Recommended Budget includes approximately \$18,300,000 in MHSA funding for community support services, primary and early intervention, electronic health records, and workforce investment. A major contributor to the increase of \$1,802,504 in contracted direct services and MHSA funding is for a Residential Crisis Stabilization Unit. The department anticipates putting this project out to bid in FY2011/12.

In FY2010/11, the temporary increase in Federal Medical Assistance Percentages funding from the Federal Stimulus Act (American Recovery and Reinvestment Act or ARRA) ceased. For Solano County this represented \$1,598,345 in funding primarily used to fund children's mental health services and Substance Abuse Drug Medi-Cal services which will be partially offset with an increase of \$1,119,485 in state funding.

DEPARTMENTAL PURPOSE

Health Services has two major functional areas, Public Health, which operates numerous programs designed to protect the public's health and Family Health Services, which provides clinical services at multiple locations in the County. Public Health seeks to improve the health and quality of life for County residents by promoting health and safety, and by preventing disease, injury and premature death through individual and population-based services. Family Health Services clinics provide timely, high quality, culturally and linguistically appropriate, comprehensive healthcare to the uninsured and underinsured residents of Solano County. The services provided include adult and pediatric primary care, dental health, and adult mental health.

FUNCTION AND RESPONSIBILITY

The Public Health Unit is responsible for monitoring health status and understanding health issues facing the community; using data and trends to analyze public health problems and communicating them to the public; giving people the skills and information they need to make healthy choices; protecting people from health problems and health hazards; educating medical providers on new and emerging health issues; leading public health emergency planning and response activities; engaging the community to identify and solve health problems; fostering and participating in community coalitions and professional networks; developing public health policies and plans; and enforcing public health laws and regulations.

Key functional areas include: communicable disease control, emergency services, health promotion and education; public health laboratory; substance abuse prevention and control; maternal, child and adolescent health; public health nursing; nutrition services; and tobacco prevention and education.

The Family Health Services Unit satisfies the County's mandate under Welfare and Institution Code 17000 in its provision of direct and supportive healthcare services to the medically indigent residents of Solano County. Family Health Services also provides comprehensive healthcare to uninsured and underinsured residents of Solano County generally. These services include primary care, dental health, prevention education, and referral (as appropriate and feasible) for selected specialty care. Health Services operates 4 Federally Qualified Health Centers (FQHC) clinic sites with multiple "clinics" or clinical services within each site:

- The clinic located at 355 Tuolomne Street in Vallejo currently provides adult mental health services, and immunization clinics. With mental health/public health integration in the next fiscal year, the clinic will add limited adult primary care for mental health clients.
- The clinic located at 365 Tuolomne Street in Vallejo is a new site, opened in FY2010/11, and currently provides adult and pediatric primary care. The Recommended Budget includes a request for 1.0 FTE (0.5 FTE dentist, 0.5 FTE RDA) in new growth positions to add dental health services. Also, with mental health/public health integration in the next fiscal year, Family Health will provide limited mental health services for primary care clients.
- The clinic located at 2101 Courage Drive in Fairfield currently provides adult mental health services, dental health services, and immunization clinics. With mental health/public health integration in the next fiscal year, the clinic will add limited adult primary care for mental health clients. Also, a proposed expansion is currently being examined to add a new pediatric clinic service within this FQHC site for FY2011/12.
- 2201 Courage Drive in Fairfield is a new site, opened in FY2010/11 and currently provides adult and pediatric primary care. With mental health/public health integration in the next fiscal year, limited mental health services will be provided for primary care clients. Also, if a new pediatric clinic at 2101 Courage opens in FY2011/12, then this site will be able to provide expanded services to adults.

In addition to these 4 FQHC clinic sites, limited mobile primary care services are provided to homeless shelters and in FY2011/12 a mobile dental health services will be provided to schools, shelters, among others.

A new William J Carroll Government Center is currently under construction in Vacaville and is expected to be completed in FY2012/13. The center will be able to provide primary care, adult mental health, and dental health services.

In FY2011/12, with the integration of Mental Health these clinics services will expand to include adult mental health psychopharmacology, limited therapy and case management, along with substance abuse screening.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Family Health Services opened two new Federally-Qualified Health Centers in FY2010/11 one in Fairfield and one in

Vallejo. Family Health Services is pursuing collaboration with Touro University to substantially increase the number of patients served in Vallejo and Fairfield.

- Secured funding for a FQHC mobile dental clinic in FY2010/11, which should be operational in early FY2011/12, and will serve clients in locations who have no transportation or ability to travel to the County's Dental Clinics.
- The integration of adult mental health services and substance abuse services into primary care clinics will require considerable organizational and operational change. As discussed below (in Pending Issues and Policy Considerations), efficient and productive integration of these new services will require a plan for reorganization, including creation of several new positions, which will be brought before the Board later in FY2011/12.
- The implementation of the federally mandated Electronic Health Records and a new Patient Management System in Family Health Services will pose significant operational challenges as staff becomes trained and facilities are equipped with computers so all records can be in electronic format.
- Solano County Public Health, in conjunction with Child Welfare Services and a federal grant from the Administration for Children and Families, has implemented Nurse-Family Partnership (NFP), an evidence-based home visiting program. NFP is a community health program that helps transform the lives of vulnerable mothers pregnant with their first child.
- The Emergency Services Bureau and Communicable Disease Control Program successfully coordinated the County's response to both the H1N1 pandemic and the statewide pertussis epidemic; vaccinations against H1N1 provided to the residents of Solano County totaled nearly 16,000 doses.

WORKLOAD INDICATORS

During the period of July 1, 2009 – June 30, 2010:

- The medical clinics in Vallejo and Fairfield provided a total of 42,412 patient visits, an increase of 6% from the previous year.
- The dental clinic provided 7,391 patient visits, an increase of over 36% from the previous year.
- The Women, Infants, & Children (WIC) program served a monthly average of 11,200 pregnant women, postpartum women, infants and children under 5 years.
- 3,665 communicable diseases were reported to Solano Public Health and investigated (as appropriate).
- Approximately 5,000 home visits were made by public health nurses to high-risk families.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for Health Services of \$52,746,814 represents a decreased Net County Contribution of \$3,552,528 offset by an increase of approximately \$5 million in FQHC revenue for a net increase of \$1,719,651 in revenues and \$1,719,658 in expenditures or 3.4% when compared to the FY2010/11 Adopted Budget.

The primary funding source for Family Health Services is FQHC funds, which is based on rates per encounter established by the site during the rate setting year. FY2010/11 is a rate-setting year for the two new FQHC sites. FY2011/12 will be a review year for the two original FQHC sites to determine if previously set rates are still correct. Other important funding sources for Family Health Services include the Healthcare for the Homeless Grant and the Ryan White (HIV/AIDS) Grant.

Funding sources for Public Health (PH) include various federal grants, fee-for-service, revenue contracts with colleges, other counties, private companies, and federal and state allocations. Programs utilizing federal grants include Nurse-Family Partnership, Emergency Medical Services, and WIC. Programs utilizing fee-for-service and revenue contracts include the PH Lab, Vital Statistics, Health Promotion and Education, and Student Health Services. Programs utilizing federal and state allocations include Emergency Medical Services, TB Control, Communicable Disease, AIDS Surveillance, Bioterrorism, Family Planning, AIDS Community Education, Health Promotion and Education, Public Health Nursing, Childhood Lead, Immunization, California Children's Services, Child Health and Disability Prevention, WIC, and Maternal Child and Adolescent Health.

Primary costs for Health Services are: \$29,170,371 for salaries and employee benefits; \$6,894,221 for services and supplies; \$12,698,721 for other charges (including \$6,871,127 for CMSP services to residents and \$2,623,442 in contracted direct services); \$262,293 for fixed assets; \$1,420,582 for other financing uses; and \$2,306,626 for intra-fund transfers.

SUMMARY OF POSITION CHANGES

Changes in the department's position allocations are provided below.

- In October 2010, the following 3.5 FTE were deleted:
 - 0.5 FTE Occupational Therapist
 - 0.5 FTE Office Aide
 - 1.0 FTE Office Assistant II
 - 1.0 FTE Physical Therapist
 - 0.5 FTE Public Health Nurse
- In December 2010, the following position was deleted:
 - 1.0 FTE Emergency Medical Services Administrator
- In January 2011, 4.0 FTE were added to the Dental Clinic:
 - 1.0 FTE Dentist
 - 2.0 FTE Registered Dental Assistant
 - 1.0 Health Education Specialist
- For FY2011/12, 1.37 FTE existing Psychiatrists formerly budgeted in the Mental Health Division will be transferred to the Family Health Services budget.
- On April 5, 2011 8.0 FTE were deleted as a result of PARS early retirement:
 - 2.0 FTE Health Assistant
 - 1.0 FTE Health Education Specialist (Sr)
 - 1.0 FTE Health Education Specialist
 - 1.0 FTE Nursing Services Director
 - 1.0 FTE Office Assistant II
 - 1.0 FTE Office Assistant III
 - 1.0 FTE Public Health Nurse (Sr)
- For FY2011/2012, 9.0 FTE are requested for Family Health Services for an increase in costs of \$817,829. The purpose of these 9.0 FTE is to bring the clinics up to industry standards and to provide dental services in Vallejo. These new positions are expected to generate around \$1.5 million in new revenue and include:
 - 6.0 FTE Medical Assistant
 - 2.0 FTE Nurse Practitioner/Physician Assistant
 - 0.5 FTE Registered Dental Assistant
 - 0.5 FTE Dentist for Vallejo
- For FY2011/12, 9.0 FTE Limited Term Positions are requested to be extended through June 2012 (all of these Limited Term Positions are fully supported by state or federal grants from the Office of Traffic Safety); these include:
 - 1.0 FTE Public Health Nurse
 - 1.0 FTE Accounting Technician
 - 1.0 FTE Medical Assistant
 - 0.5 FTE Project Manager

- 0.5 FTE Project Manager
- 1.0 FTE Health Education Specialist (Sr)
- 2.0 FTE Health Assistant
- 1.0 FTE Health Services Manager
- 1.0 FTE Social Worker III

PENDING ISSUES AND POLICY CONSIDERATIONS

The requested FY2011/12 budget for Health Services is balanced largely on the basis of projected FQHC (MediCal and CMSP clients) and Medicare revenues, which require full staffing of Family Health Services clinics (for primary care and dental health services) to provide the projected numbers of encounters. Family Health Services has absorbed County General Fund reductions of more than \$450,000 in FY2010/11, and the requested FY2011/12 budget addresses this reduction through improved efficiency and productivity in clinic operations. To increase productivity the clinics need to increase fully reimbursed patient encounters which requires additional staff. The following new 9.0 FTE positions are requested:

- 2.0 FTE Nurse Practitioner/Physician Assistants are primary care providers who directly generate FQHC revenue in the primary care clinics (Fairfield);
- 0.5 FTE dentist directly generates FQHC revenue and will work at the Vallejo clinic to address unmet needs for dental services in that community;
- 6.0 FTE Medical Assistants and 0.5 FTE Registered Dental Assistant indirectly generate FQHC revenue by supporting and increasing the efficiency and productivity of primary care providers in Fairfield and Vallejo and the dentist in Vallejo, respectively.

The cost of \$817,829 for the requested new 9.0 FTE positions is included in the Recommended Budget with the offsetting revenue. It is anticipated that the additional staff will bring in approximately \$1.5 million in new revenue through additional service encounters.

In FY2010/11 the Department of Health Services Division opened two additional FQHC sites (one each in Fairfield and Vallejo). Family Health Services increased the number of available examination rooms for primary care services and is seeking to increase the number of primary care providers, and associated clinical staff to make optimal use of the new clinic space. The requested 2.0 FTE Nurse Practitioner/Physician Assistants complete this planned expansion in providers to accommodate the increase in examination rooms, and the requested 6.0 FTE Medical Assistants complete the planned staffing ratio of primary care providers, to associated clinical staff. The 0.5 FTE dentist and 0.5 FTE dental assistant are requested to permit expansion of critically needed dental health services to Vallejo; currently, all County provided dental health services are located in Fairfield.

With the anticipated changes under Healthcare Reform, the demand for primary care and dental health services, as well as for mental health services, is expected to grow in Solano County. As more individuals become eligible, it is expected that clinical services provided by Family Health Services will continue to expand. Some of this expansion may be accommodated through the provision of mobile clinical services, and some will be accomplished by providing services at new sites such as the planned William J. Carroll Government Center at 1119 East Monte Vista Avenue in Vacaville.

Several items are pending Board consideration in FY2011/12. A reorganization of Health Services will enable further integration of Mental Health Services and Family Health Services. A proposed MOU with Touro University will expand clinical services and provide educational opportunities in the medical field. A new Pediatrics Clinic at 2101 Courage Drive in Fairfield will expand pediatric primary care services.

In FY2010/11 H&SS began the integration of Health Services and Behavioral Health Services, specifically Substance Abuse Programs and Adult Mental Health clinic services, with Family Health Services. While this integration is expected to result in better services for clients and provides opportunities to generate additional FQHC revenues, it will also require careful planning and some restructuring within Health Services. Hence, a reorganization of Health Services and Behavioral Health Services is anticipated for Board consideration.

In FY2010/11 Touro University approached Solano County Health Services to pursue a collaborative approach to service more than 3,500 Solano County residences in Vallejo and Fairfield. Other benefits from this arrangement could include a graduate

medical education program, and a residency base program at County clinics and partnering hospitals. A MOU is expected to be brought to the Board for consideration.

The Department has identified a growing need for pediatric primary care and is working on a business plan for the establishment of a new pediatrics clinic at 2101 Courage Drive Fairfield. It is suggested that the new clinic will not require additional staff. The additional examination rooms at a new pediatrics clinic will increase pediatric encounters and reduce pediatric wait times. A business plan and expected tenant improvements will be brought to the Board for consideration.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Licenses, Permits & Franchise	20,706	21,913	320,000	298,087	1360%
Fines, Forfeitures, & Penalty	691,013	547,552	574,028	26,476	5%
Revenue From Use of Money/Prop	18,445	4,000	4,500	500	13%
Intergovernmental Rev State	17,225,263	17,512,869	17,418,466	(94,403)	(1%)
Intergovernmental Rev Federal	10,307,034	10,653,805	10,616,115	(37,690)	(0%)
Intergovernmental Rev Other	164,892	287,795	715,038	427,243	148%
Charges For Services	9,632,842	15,198,774	19,978,335	4,779,561	31%
Misc Revenue	536,226	362,320	234,725	(127,595)	(35%)
Other Financing Sources	2,832,265	2,945,000	953,902	(1,991,098)	(68%)
General Fund Contribution	4,353,127	3,493,136	1,931,706	(1,561,430)	(45%)
TOTAL REVENUES	45,781,813	51,027,164	52,746,815	1,719,651	3%
APPROPRIATIONS					
Salaries and Employee Benefits	21,463,853	26,827,606	29,170,371	2,342,765	9%
Services and Supplies	5,344,391	6,326,957	6,894,221	567,264	9%
Other Charges	13,982,684	13,936,004	12,692,721	(1,243,283)	(9%)
F/A Equipment	19,864	14,000	73,865	59,865	428%
F/A - INTANGIBLES	0	0	188,428	188,428	0%
Other Financing Uses	799,132	1,234,760	1,420,582	185,822	15%
Intra-Fund Transfers	3,879,526	2,687,829	2,306,626	(381,203)	(14%)
TOTAL APPROPRIATIONS	45,489,449	51,027,156	52,746,814	1,719,658	3%
NET COUNTY COST	(292,364)	(8)	(1)	7	(88%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant changes in revenue include:

The FY2011/12 Recommended Budget for Health Services projects a \$4,779,561 increase in Charges for Services compared to the FY2010/11 Adopted Budget. The projected increase results from the following changes in current clinic operations:

- Increased efficiency and productivity in the two recently opened FQHC clinics (at 2201 Courage Dr. in Fairfield and 365 Tuolomne Street in Vallejo), which will be accomplished through more effective staffing (to optimize use of available examination rooms), streamlined patient flow, and increased provider availability to provide direct patient care (substantial provider time in the current fiscal year has been devoted to planning for implementation of a new electronic medical record and patient billing system in Family Health Services, in keeping with federal requirements for meaningful use);
- Reduced claims rejection rates for MediCal, CMSP and Medicare clients billed for services provided, following implementation of a new, electronic patient billing system in late 2011 (estimated for Fall 2011);
- Expanded dental health services, by opening a new dental clinic (half-time) at the 365 Tuolomne St., Vallejo FQHC clinic site and by implementing mobile dental health services in the county;
- Expanded primary care services at the Vallejo and Fairfield clinics by collaborating with Touro University to transfer their clients from the current Touro Clinic site in Vallejo to the Family Health Services clinics; and
- Substantially increased billing (charges for services) for adult mental health and substance abuse screening services at the 355 Tuolomne St., Vallejo and 2101 Courage Dr., Fairfield FQHC clinic sites.

Significant changes in expenditures include:

Following the Budget Workshop held on October 26, 2010, Board direction affirmed reductions in FY2011/12 General Fund support for Health Services by \$1,967,334. The reduction included \$104,314 from the Smile in Style program, \$97,020 from Clinical Nutrition and \$1,766,000 from the Reducing Rates and Health Access (formerly MSA) Initiatives. The reduction in Smile in Style effectively eliminates the program; however, the Dental Clinic will be able to provide some dental disease prevention services to children through the recent collaboration with the WIC clinics. Clinical Nutrition has been absorbed within the Family Health Services Clinics. The effect on Reducing Rates and Health Access Coalition limits services to core activities for children's health insurance and funding of seven (7) city teams to address youth issues with Alcohol, Tobacco, and Other Drugs (ATOD) prevention. The Health Access Coalition oversees the Solano Kids Insurance Program (SKIP) premiums, enrolling and retaining county residents in health insurance programs.

In December 2010, the Board approved a proposal to eliminate \$1,000,000 in County General Fund from Health and Social Services, which resulted in a decrease of \$569,855 in total County General Fund support to Health Services. Public Health eliminated a 1.0 FTE Emergency Medical Services Administrator with a corresponding revenue reduction of \$114,980. The duties of the eliminated position were absorbed by an existing manager. Family Health Services had to cut its expenditures by \$454,875 due to this reduction. These reductions brought to \$0 the County General Fund contribution to Family Health Services. H&SS believes this will be absorbed by the increased revenue expected from providing additional FQHC services, if Family Health Services are allowed to operate at full capacity. To this end, the FY2011/12 Recommended Budget includes requests for 9.0 FTE additional positions which would allow the clinics to respond to the growing demand on Family Health Services and which are budgeted as revenue offset in the Recommended Budget.

In February 2011, the Board approved a \$3,000,000 reduction target for H&SS in FY2011/12 that results in an additional reduction of \$435,000 in General Fund support for Public Health. Public Health has applied for an Office of Traffic Safety grant which, if received, will cover the \$105,000 loss in Health Education, but will not allow for an expansion of services as intended. The \$200,000 General Fund reduction in the Nurse-Family Partnership program will be absorbed by an increase in the federal grants however, creating an inability for program expansion. The elimination of \$55,000 to the AIDS Community Education program will result in a reduction of community outreach, reductions in HIV test kits, and reductions in purchases of safe needle use kits and educational materials. The elimination of \$75,000 in the Immunization Program will result in the elimination of weekly stand alone immunization clinics in Fairfield and Vallejo, resulting in decreased access to services. Family Health Services clinics will, however, be able to provide immunizations for patients.

The reductions required in February, effective July 1, 2011 and described above total \$2,972,189 and are partially offset by increased revenues of \$1,377,325 are broken out as follows: \$523,000 in a Nurse-Family Partnership Federal Grant, \$225,000 in Emergency Medical Services, \$266,000 in WIC funding, \$62,325 in AIDS Consortium funding, and an increase of \$300,000 expected for an Office of Traffic Safety Grant. \$305,000 of these increased revenues can be used to offset the reduction in County General Fund as specifically mentioned above, but the majority of the funds need to be used as specified by the grants to expand programs.

DEPARTMENTAL PURPOSE

The budget for Social Services includes Employment and Eligibility Services (E&ES), Child Welfare Services (CWS), Older and Disabled Adults Services (ODAS), Welfare Administration, and Special Projects.

Employment and Eligibility

The Employment and Eligibility Services Division contributes to Solano County residents' well-being by providing safety net public assistance and employment services programs. E&ES promotes self-reliance by assisting low-income families and individuals with obtaining employment, access to health care, and food and cash assistance.

Child Welfare Services

Child Welfare Services (CWS) is a state-supervised, county-administered program. The program's purpose is to prevent, identify, and respond to allegations of child abuse and neglect. Families in the child welfare system receive services so that: (1) children can remain safely in their homes, and children who are temporarily removed from their homes can reunify with their families. For cases in which children are unable to reunify with their families, efforts are made to find a permanent home through adoption or guardianship. CWS services are mandated pursuant to state and federal laws, e.g., Title IV of the Social Security Act, and Chapter 978, California Statutes of 1982.

Older and Disabled Adult Services

The Older and Disabled Adult Services (ODAS) division provides interdisciplinary services to the elderly and disabled who are among of the County's most isolated and vulnerable citizens. ODAS focuses on comprehensive, integrated assistance for older and disabled adults.

Welfare Administration

The Special Investigations Bureau ensures program integrity through comprehensive investigations of fraud allegations in social services programs, the collection of debts, and the timely hearing of appeals.

Special Projects

This part of the budget is used for projects that have separate funding sources and are not included in the consolidated social services county expense claim for reimbursement from the State.

FUNCTION AND RESPONSIBILITY

Employment and Eligibility

The E&ES Division provides public assistance to Solano County residents and assisting the recipients towards self-sufficiency. As of April 30, 2011, 77,762 County residents, or approximately 18.8% of the County population were receiving public assistance benefits. These benefits have a significant impact on the County's economy. For example, in June 2010, the Division issued \$8.7 million in cash and food benefits, generating at least \$12.8 million in local economic activity, as recipients paid rent and bought food with these funds. The Division provides cash aid to over 6,700 families and nearly 1,100 individuals per month, food assistance to about 18,000 families per month, and medical coverage for nearly 30,000 families per month.

Child Welfare Services

Child Welfare Services provides four traditional service components of the program established through state legislation (Senate Bill 14) enacted in 1982 to implement federal requirements under Public Law 96-272: 1) Emergency Response, 2) Family Maintenance, 3) Family Reunification, and 4) Permanent Placement.

- Emergency Response investigates allegations of neglect or abuse of children and decides whether children can safely remain in their own home. Emergency Response may initiate a service plan to reduce risk factors sufficiently to allow children to remain at home or, if this is not possible, will complete the legal documentation to request the Juvenile Court to order the children into foster or relative care. Emergency Response is available 24 hours a day, seven days a week, to respond to situations in which a child is at imminent risk of abuse or serious neglect.
- Family Maintenance provides time-limited protective services to families in crisis to prevent or remedy abuse or neglect, allowing social workers to work with the family while keeping the child in the home.

- Family Reunification provides time-limited intervention and support services to parents while the children are in foster care to make the family environment safe for the child to return.
- Permanency Placement provides services to those children who cannot return to a parent's custody and for whom no adoptive parents or legal guardians can be found. Permanency Placement services are meant to ensure that these children can grow up in a permanent, safe and secure living arrangement. They include an array of services for foster and former foster youth designed to implement permanency planning as quickly as possible upon their entry into foster care and to aid them in transitioning to a successful emancipation. Additionally, permanency placement provides services to transitional aged-youth up to 24 years of age.
- Adoption assists children removed from their homes due to abuse or neglect and who are unable to return to live with their parents. The full range of adoption and support services include concurrent planning, placement of children in adoptive homes, and post-adoptive services to the adopting family and children.
- Out-of-home Placement Services provides children who are removed from their families a variety of settings that allow for a safe, less restrictive, environment to meet their needs and, to the extent possible, allow them to remain in their own schools and communities. These settings include the homes of related/non-related extended family members, foster family homes and agencies, group homes and community treatment facilities.
- Foster Care Eligibility determines the eligibility and funding source that pays for out-of-home placement for children who are placed in foster care by Child Welfare Services and Probation. As part of the eligibility process, foster children are enrolled in Medi-Cal.

Older and Disabled Adult Services

ODAS is responsible for the In-Home Supportive Services (IHSS) program, Adult Protective Services (APS), and the Public Guardian's Office. IHSS is an entitlement program which provides domestic and personal care services to low-income elderly or disabled persons who, without these services, are at risk for out-of-home placement. APS works with and on behalf of elderly or dependent adults who are being abused or neglected (including self-neglect) and operates on a 24-hour-a-day, seven-day a week schedule. The Public Guardian's Office provides personal and financial services to individuals who have been conserved by the Court and who are unable to care for themselves and/or not able to manage their own affairs. The Public Administrator's responsibilities are to search for next-of-kin, to authorize the disposition of decedents' remains, and to oversee the distribution of decedents' estates when they have left no direction and/or executor for that purpose.

Welfare Administration

The Special Investigations Bureau (SIB) conducts over 3,000 investigations annually to ensure the prevention and detection of fraud cases. SIB is also responsible for the computation and collection of California Work Opportunity and Responsibility to Kids (CalWORKs) overpayments and Food Stamp over issuances as well as the collection of General Assistance debts. The Appeals Unit within SIB is responsible for the timely hearing of appeals of adverse actions filed by recipients. SIB is also responsible for the Health and Social Services Department's employee identification badge access system.

Special Projects

This budget is used to account for expenditures for the CalWORKs Information Network (CalWIN) public assistance case management system allocation, administered by E&E, the California Connected at 25 Initiative (CC25I) and Transitional Housing Program Plus (THP-Plus) administered by CWS, and for Case Management, Information and Payroll System (CMIPS) which is used by the State to track services for IHSS clients and to pay wages to their care providers.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Employment and Eligibility

- E&ES continued implementing "self-service" initiatives to leverage technology and allow interested applicants and recipients to access services without having to visit an office. In November 2010, Solano implemented Benefits CalWIN to allow residents to apply for CalFresh and Medi-Cal benefits online, as well as submitting CalFresh periodic reports and annual renewals electronically. In December 2010, a 24/7 automated inquiry line (Access CalWIN), was implemented to provide clients with frequently requested information without the need for staff intervention
- The Division achieved a 100% accuracy rate based on a CMSP Governing Board audit in January 2011, resulting in a

bonus of 5% to the FY2010/11 CMSP allocation, amounting to approximately \$32,400.

- E&ES was unable to maintain the Work Participation Rate (WPR) and dropped from 27.7% in Federal Fiscal Year (FFY)2008/09 to 17.8% during FFY2009/10; this drop is mainly attributable to the new state budget saving measures that exempt more clients from participation but do not exclude them from the Federal WPR calculation.
- Successfully implemented the Federal Stimulus Funded Create Jobs subsidized employment program in partnership with Solano County employers, with an employee retention rate of 90% of those who participated through the program's end in August 2010, or 66% of the total of 28 participants. Due to its success, this program was restarted in February 2011.

Child Welfare Services

- During the last few years, the Department has made a substantial investment in the implementation of best practice strategies as they relate to staffing and intervention activities. This investment has reaped huge dividends for the county in the form of reductions in the entry of youth into the foster care system, a reduction of length of time in out of home care and an overall reduction of the total number of youth that are in care. During this time of dwindling resources, it will be challenging to maintain the high quality work required to keep the numbers of children in foster care down.
- Despite the recent cuts to the CWS budget, the County has had excellent performance on all of the federal and state CWS outcome measures. It is the Division's conclusion, however, that continued cuts will have a deleterious effect on this and other outcome measures.
- Pending issues - Assembly Bill (AB) 12 is recent legislation that extends assistance to children in foster care until their 21st birthday. The full impact that this legislative change will have cannot be determined as of yet because the regulatory changes will not be published by California Department of Social Services (CDSS) until October, 2011. At a minimum, however, it will increase the number of youth that are in care and the service demands that these youth place not only on CWS but other County services/programs.
- Pending issues – The Governor's proposed budget and its lack of specificity, including the proposed plan for realignment of a number of programs, generate a number of unanswered questions. The unanswered questions are concerning to the extent that they fail to indicate how CWS will be able to meet basic service needs.

Older and Disabled Adult Services

- Reorganized IHSS staff after losing of 26% of personnel due to retirements and layoffs since December 2009. Extra help social workers hired to address the heavy workload have helped reduce the number of overdue reassessments.
- As an internal business process improvement the division expanded the use of electronic technology to populate numerous forms for a more efficient and effective way of doing business. The IHSS program was able to save social workers about 30 minutes doing paperwork for each intake and annual assessment.
- Used the Intranet as a vehicle to store IHSS assessment reports electronically which makes the writing of future reports easier, reduces paper in case records, and makes information more accessible.
- Implemented a fraud investigation component in the IHSS program which has demonstrated significant recovery and cost savings.
- Implemented new criminal background check procedures for all IHSS providers.

Welfare Administration

- The Special Investigations Bureau significantly increased the number of General Assistance Loan Repayment agreements thus increasing the amount of General Assistance funds collected. This eliminated the backlog of recipient income reports received by the State resulting in an increase of collections.

WORKLOAD INDICATORS

During the period of July 1, 2009 – June 30, 2010

Employment and Eligibility

- Staff received and processed 83,913 applications for benefits, approved 51,903, denied 34,460, and handled 104,887

customer calls at the Benefits Action Center (BAC). In the prior fiscal year, staff processed 76,098 applications; approved 48,621, denied 30,233, and the BAC handled 95,725 calls.

- In April 2010, the Division served 77,762 unduplicated County residents, up from 74,471 in December 2009, and 60,523 in December 2006

Child Welfare Services

- The most recent data available reflects that in Solano County, 64% or 61 children were reunified with family within 12 months, while 36% or 34 children were reunified in 12 months or more. For the same time period, the statewide performance for children reunifying within 12 months was 63.9% while 36.1% reunified in 12 months or more. The National Standard or Goal for this measure is 75.2% for reunification within 12 months.

Older and Disabled Adult Services

- Provided services to approximately 3,000 IHSS recipients and completed background checks and provided in-person orientations or printed materials for about 4,000 in-home care providers.
- Investigated an average of 105 reports of adult abuse and neglect each month.
- Public Guardian's Office provided services to an average of 153 conserved clients each month, 60 public administration cases each month and 188 representative payee clients each month.

Welfare Administration

- 21% increase in the number of Appeals cases heard and decisions rendered (first 6 months of FY2009/10 compared to first 6 months of FY2010/11).
- 15% increase in IEVS (Income and Eligibility Verification System) New Hire reports as a result of the increase in Food Stamp applications. When a client gets a job, it triggers a new hire report to SIB.
- 43% increase in computed overpayments and over-issuances.
- 14% increase in new debts established.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the Social Services Department of \$86,010,935 represents an overall decrease of \$2,600,080 or 2.9% in revenues and expenditures when compared to FY2010/11 Adopted Budget. As a result, the Net County Contribution is decreased by \$2,195,181 or 24.2% from the Adopted Budget.

The primary funding sources for Social Services' 15 major programs are State Allocations, and Federal funds which include Title IVE (Foster Care and Adoptions Assistance), Title XIX (MediCal), TANF (CalWORKs), Title XX (Community Services), and funds from the Dept. of Agriculture (CalFresh). The State funds are used for the following programs: Adoption Services, Foster Care/Adoptions Eligibility; Child Welfare Services, Independent Living Services (ILP), Foster Home Licensing, State Family Preservation, Adult Protective Services/Community Services Block Grant (APS/CSBG), In-Home Supportive Services, CalWORKs, County Medical Services Programs (CMSP) and CalFresh Eligibility. The County has a required share of cost for most of these programs, with the exception of ILP, MediCal and CMSP, CalWORKs and CalFresh share a County Maintenance of Effort (MOE) of \$1,870,052. Any costs that exceed this MOE are funded 100% by State and Federal Funds. Child Welfare Services revenue allocations primarily fund the four basic service components of Emergency Response, Family Maintenance, Family reunification and permanent placement. However, the allocation is also used for other activities that are added to the allocation by legislation and state initiatives.

The following are the primary cost centers within this budget unit, 7680:

- Employment and Eligibility with Recommended Expenditures of \$47,239,506. Staff accounted for within this cost center are eligibility workers, employment resource workers, supervisors, clerical staff, accounting staff, managers and administrators dedicated to eligibility determination and welfare-to-work programs, including CalWORKs, MediCal, CMSP, CalFresh, Refugee and General Assistance.
- Child Welfare Services with Recommended Expenditures of \$17,327,822. Staff accounted for within this cost center is the social workers, supervisors, clerical staff, eligibility workers, managers and administrators dedicated primarily to child

protective services, serving families at risk of having their children removed from their custody, and the children who are placed in foster care. Other programs administered are Foster Care Eligibility, Adoptions, Licensing, Supportive and Therapeutic Options, Family Preservation services, and contracted Community Services.

- Older Disabled Adult Services with Recommended Expenditures of \$8,705,024. Staff accounted for within this cost center include social workers, clerical staff, accounting staff, nurses, supervisors, managers and administrators dedicated to providing In-Home Supportive Services (IHSS), Adult Protective Services (APS), and Public Guardian functions.
- Welfare Administration with Recommended Expenditures of \$9,104,458. Staff accounted for within this cost center includes welfare fraud investigators, appeals specialists, accounting staff, clerical staff and an administrator who receive reports of potential fraud in all social services programs, conduct investigations on these reports and also hear appeals from clients regarding decisions made on benefits for assistance programs and IHSS services. Also accounted for within this cost center are clerical and accounting staff that maintain records and handle fiscal disbursement functions for the assistance programs. Additionally, the quality control unit within this cost center includes employment resource workers and a supervisor who review case files for compliance with regulations, primarily for CalWORKs and CalFresh programs.
- Special Projects with Recommended Expenditures of \$3,634,125. Except for 1 Extra Help contract employee to assist with implementation of a new IHSS payroll and case management system, whose costs are funded through a contract with the State, this cost center includes no staff. It does include the Transitional Housing Assistance program and a grant from the California Connected at 25 Initiative which serves emancipated foster youth. The CalWIN computer system, used to determine eligibility for Assistance Programs, is also budgeted in this cost center and includes the contract with Hewlett Packard and other associated costs covered by the CalWIN allocation.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	10,119	5,000	8,000	3,000	60%
Intergovernmental Rev State	38,230,906	40,070,728	40,014,483	(56,245)	(0%)
Intergovernmental Rev Federal	32,207,834	38,316,207	38,106,231	(209,976)	(1%)
Intergovernmental Rev Other	3,150	0	0	0	0%
Charges For Services	918,124	1,041,649	964,971	(76,678)	(7%)
Misc Revenue	119,126	100,000	35,000	(65,000)	(65%)
Other Financing Sources	150,000	0	0	0	0%
General Fund Contribution	8,156,646	9,077,431	6,882,250	(2,195,181)	(24%)
TOTAL REVENUES	79,795,904	88,611,015	86,010,935	(2,600,080)	(3%)
APPROPRIATIONS					
Salaries and Employee Benefits	49,110,602	52,758,757	53,586,052	827,295	2%
Services and Supplies	9,341,493	11,546,806	10,342,213	(1,204,593)	(10%)
Other Charges	14,168,332	15,463,344	13,636,436	(1,826,908)	(12%)
F/A Equipment	14,653	0	0	0	0%
Other Financing Uses	1,706,892	2,498,167	2,524,917	26,750	1%
Intra-Fund Transfers	5,414,664	6,343,941	5,921,317	(422,624)	(7%)
TOTAL APPROPRIATIONS	79,756,636	88,611,015	86,010,935	(2,600,080)	(3%)
NET COUNTY CHANGE	(39,269)	0	0	0	0%
STAFFING	595.5	561	540.55	(20.45)	(3.7%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant changes in revenue include:

As a part of the FY2010/11 effort to reduce County General Fund contribution the H&SS Social Services Division initiated methods to increase federal and state revenue and reduce County General Fund by \$853,500. The Public Guardian's Office is now included in the claiming process for Social Services Programs, which is expected to increase health-related (MediCal) revenue by \$570,000 and reduce County General Fund costs in this program by the same amount. Per an inter-department

MOU, Probation will reimburse H&SS for the loss of Title IVE Federal Revenue that results from using a combined foster care caseload ratio on the Social Services County Expense Claim, estimated at \$240,000 in FY2011/12, thereby reducing County General Fund that has covered this loss in the Social Services budget in past years. Probation will also provide H&SS approximately \$43,500 in County General Fund included in the Probation budget to serve as match for a State Family Preservation program operated by H&SS.

The projected revenues for most programs are based on the FY2010/11 state allocations and projections for earned federal revenues. However, due to the hiring freeze and numerous vacancies as well as prior year reductions to eligibility and employment caseworker staff, the Social Services Division may not be able to claim the full amount of the Federal and State allocation for Solano County for CalWORKs, MediCal and CalFresh programs. The revenue generated for social services programs earns is entirely based on the eligible hours that staff spends on specific programs to provide services to clients, a reduction to staff hours results in lower earned revenue. As an example, due to reduced staffing in FY2009/10, state and federal eligibility allocations were under-spent by \$5.46 Million.

Significant changes in expenditures include:

Salaries and Benefits overall increased by \$827,295 or 1.6%, while regular salaries decreased by \$1,289,735, reflecting the combined decrease of 18.9 FTE allocated positions taken in FY2010/11 and proposed for FY2011/12. However, increases in retirement, health benefits, unemployment and workers compensation increased by \$1.33 Million. Budgeted salary savings are projected at \$567,766 less than the prior year, based on the assumption that staff turnover will slow and many vacant positions have been deleted. Overtime/call back is projected to increase by \$246,656 reflecting peak workload cost and the loss of some staff for essential functions.

The following changes are a result of the reductions made by H&SS in FY2010/11 and by Board approval effective July 1, 2011:

- A decrease of \$173,500 to community services contracts such as Children's Alliance, Senior Coalition, and Faith In Action, approved by the Board on December 14, 2010.
- Elimination of the Child Welfare Services 23-Hour Receiving Center contract for \$300,000.
- Elimination of the SSI Advocacy program, \$151,000.
- Elimination for the Elder Health Clinic program, by deleting a Public Health Nurse Position, generating a County General Fund savings of \$43,000.
- Elimination of the Child Welfare Services Community Liaison activity, by deleting a Social Services Program Coordinator, for a net savings of \$45,000 in County General Fund.
- Elimination of the Representative Payee program in the Public Guardian's office for a net reduction of \$45,000 to County General Fund costs.

Other significant changes in expenditures include

- A \$1,503,122 drop in Countywide Administrative Overhead (A-87) charges to Social Services Programs.
- A \$1,204,593 net decrease in general operating costs for services and supplies.
- A \$352,000 decrease to subsidized employment services; the plan is to fund these contracts with CalWORKs allocation dollars in FY2011/12 to replace the eliminated ARRA funds, not to exceed \$1,000,000, or a lower amount depending on the final CalWORKs allocation.
- A \$438,006 decrease to H&SS Department Administration distributed costs.
- A \$363,171 increase to transportation services for Welfare-to-Work costs due to increased cost of gasoline resulting in higher mileage reimbursements.

SUMMARY OF POSITION CHANGES

As part of the countywide effort to solve the structural deficit, Social Services Divisions offered PARS retirements to 17.9 FTE, resulting in the deletion of the following positions:

- 4.0 FTE E&E Service Manager

- 8.9 FTE Eligibility Benefits Specialist II
- 1.0 FTE Accounting Technician
- 1.0 FTE Office Coordinator
- 1.0 FTE Accounting Clerk III
- 1.0 FTE Social Worker III
- 1.0 FTE Appeals Specialist

The following 10.0 FTE positions were approved as PARS replacement positions:

- 1.0 FTE E&E Administrator
- 1.0 FTE Clerical Operations Manager
- 4.0 FTE Eligibility Benefits Specialist II
- 2.0 FTE Eligibility Benefits Specialist II – Limited Term
- 1.0 FTE Accounting Technician
- 1.0 FTE Office Coordinator

The following 4.30 FTE positions were deleted in Board Actions during FY2010/11:

- 2.0 FTE Office Assistant III
- 1.0 FTE Appeals Specialist
- 0.1 FTE Program Specialist
- 0.1 FTE Office Assistant II
- 0.1 FTE Office Assistant II
- 1.0 Accounting Clerk III

The following position was added back in a Board action during FY2010/11:

- 1.0 Accounting Clerk III

The following 9.0 FTE positions are being deleted in the recommended budget, as part of the County General Fund reductions in Health and Social Services for FY2011/12 to address in part the requested 10% labor cost reduction:

- 3.0 FTE Public Health Nurse
- 1.0 FTE Social Services Program Coordinator
- 2.0 FTE Social Services Supervisor
- 2.0 FTE Social Worker II
- 1.0 FTE Deputy Public Guardian/Conservator/ Administrator

The following position is requested in exchange for deleting a 1.0 FTE Social Services Supervisor:

- 1.0 FTE Social Worker III

The following limited term positions are requested to be extended through December 31, 2012:

- 22.0 FTE Eligibility Benefit Specialist II
- 2.0 FTE Eligibility Benefit Specialist Supervisor

The following limited term positions are proposed to be extended through June 2012:

- 2.0 FTE Social Worker III

-
- 1.0 FTE Social Services Worker

PENDING ISSUES AND POLICY CONSIDERATIONS

Federal/State/Local proposed legislation/changes actions which may impact the County over the next coming fiscal years Include:

- Assembly Bill (AB) 12 is recent legislation that extends assistance to children in foster care until their 21st birthday. The full impact of this legislative change cannot be determined as of yet because the regulatory changes will not be published by CDSS until October, 2011 and pending an appropriation of funding. At a minimum, however, it will increase the number of youth in care and the service demands that these youth place not only on CWS, but on other County services/programs.
- A potential impact of the termination of the Representative Payee Program is that clients with mental illness who need help to manage their money maybe at higher risk for financial abuse, homelessness and falling out of compliance with their mental health treatment client plans.
- Federal discussions regarding changing the funding contribution to block grants for MediCal and CalFresh services could have a significant impact on county residents and the administration of these programs.
- The Governor's February 2011 proposed Public Safety Realignment and the associated legislation to implement the changes include Adult Protective Services and Child Welfare Services programs, but no definitive information is available at this time. Currently, the State underfunds both programs. Of concern is how the State will determine the level of funding that would be necessary to adequately support these programs in the new realignment proposals. A lack of specificity to date on how the realignment will be implemented and the extent to which Child Welfare Services can continue to meet the service needs of at-risk youth and children is unclear at the time of this budget recommendation.

DEPARTMENTAL PURPOSE

This budget unit tracks financial aid for recipients of mandated social services assistance programs.

FUNCTION AND RESPONSIBILITY

The budget for Assistance Programs is not an operational budget and does not have staff. Its function is to provide a means of budgeting expenditures and depositing federal and state reimbursements received for portions of the costs of public assistance programs provided by the County. Most of the programs in the budget are mandated to be provided to those who meet the eligibility criteria specified by the Federal and State using established government regulations that specify the service and the process. These public assistance programs include California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Resettlement Program, Cal Fresh (formerly Food Stamps), Adoptions Assistance Program, Foster Care, In-Home Supportive Services (IHSS) Individual Provider Program, and General Assistance (GA).

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Projecting the cost of assistance programs is difficult, given current economic conditions, court decisions and changes in State regulations. Expenditures for General Assistance, which are 100% County General Fund supported are budgeted at an estimated \$4,901,005 based on a 3 year average rather than the current upward trend. In-Home Supportive Services reflects only the County share of General Fund cost, budgeted at \$8,690,146, is based on anticipated impacts of State changes to the IHSS program and increases in program cost. During FY2011/12 the cost for assistance programs may exceed budgeted appropriations and require a transfer from General Fund Contingency during the fiscal year. H&SS and the County Administrator's Office will monitor expenditures to this budget; adjustments may be required at Midyear and/or Third Quarter.

WORKLOAD INDICATORS

The Assistance Budget includes funding for payments only, and does not include costs associated with benefit issuance. Operational costs including program staffing are included in the H&SS Social Services and Administration Budgets, and relevant workload indicators are incorporated in these budgets.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the Assistance Programs of \$69,201,502 represents an overall increase of \$5,300,152 or 8.3% in revenues and \$6,022,848 or 9.5% in expenditures when compared to FY2010/11 Adopted Budget. As a result, the Net County Contribution of \$10,978,627 has increased by \$3,685,883 compared to the Adopted Budget.

The primary funding sources are Federal entitlement funds, State funds, State Realignment dedicated funds, and County General Fund. Federal funds include, Foster Care and Adoptions Assistance (Title IVE,) CalWORKs or Temporary Assistance for Needy Families (TANF), and MediCal (Title XIX); State and County sharing ratios vary by assistance program. Assistance programs that were realigned in 1991 for non-federal costs shared by the State and County are:

<u>Program</u>	<u>County Share of Cost (Prior to Realignment)</u>	<u>County Share of Cost Current</u>
Foster Care	5%	60%
CalWORKs Aid	11%	5%
Adoptions	0%	25%
In-Home Supportive Services	35%	35%

While the County's share of IHSS non-federal costs remains at the same sharing ratio with the state, actual County costs have escalated significantly since the State required counties to be designated as the employer of record by January 1, 2003. As more counties established public authorities to meet the State mandate of employer of record, the pressure to increase provider wages intensified. In FY2009/10 and FY2010/11 the County received ARRA funds for IHSS which were used to defray some of the General Fund cost. The ARRA funds will expire on June 30, 2011, thereby increasing State and County percentage of program cost.

The primary cost centers for this budget are Adoptions Assistance, Foster Care Assistance, CalWORKs Aid payments, Aid to Refugees, General Assistance, and In-Home Supportive Services.

Note: The cost for Foster Care Wrap Around services, to be contracted out through H&SS' Child Welfare Services Division, is budgeted in the Foster Care Assistance budget, 7903. Placement costs in this program are paid monthly through the CalWIN system based on fees set by the State of California.

No Fixed assets are requested.

SUMMARY OF POSITION CHANGES

Not applicable.

PENDING ISSUES AND POLICY CONSIDERATIONS

The IHSS program changes and renewed discussions at the State:

- Elimination of Domestic and Related Services to Certain Recipients: This proposal failed in the Assembly, but is still a possible program change.
- Across the Board Service Reduction: Conference Committee rejected the across the board service hours reduction and adopted an additional savings target with placeholder trailer bill language for proposals to achieve savings to be determined. It is not known if these proposals will impact the County's share of cost.
- Community First Choice Option: Conference Committee adopted; The State anticipates savings due to expected approval of six percentage point increase in federal financial participation as a result of IHSS qualifying under the new federal Community First Choice Option. However, it is not clear that this savings will apply to the county share of IHSS costs.

Other IHSS issues:

- The IHSS Public Authority MOU with SEIU, representing the care providers, expires June 30, 2011. Any potential changes will impact the cost to CGF.
- Caseloads appear to be declining in the past quarter but this trend has not been observed over a long period of time.
- The estimated number of paid provider hours in the Recommended Budget is lower than actual estimated hours to be paid during FY2010/11 in anticipation of State and Federal program changes under discussion. This may pose a potential risk that the budgeted amount is insufficient and a draw from Contingency may be required during the fiscal year.

AB 3632-Residential placements for Seriously Emotionally Disturbed (SED) Children:

- A recent court ruling affirms that the AB 3632 mandate has been suspended for FY2010/11 as a result of Governor Schwarzenegger's veto of the funding for the program, and counties are not required to provide these services. However, pending the court ruling Solano County did not suspend paying for placements neither during FY2010/11 nor on April 24th when the ruling was made. Without the State funding, costs are wholly paid from the County general Fund unless the Board of Education reimburses the County for these costs. Governor Brown's FY2011/12 Budget proposals have included shifting this program responsibility to schools. H&SS will stop providing these services effective the end of this school year.

Foster Care:

- AB 12, approved in FY2010/11, extends foster care for youth between the ages of 18 to 21 on a voluntary basis, however, State guidelines are not in place. The State anticipates that this will be cost neutral to the Counties. It should be noted that in the absence of implementation guidelines, there is no assurance that the County's cost for foster care placements will not increase.

Child Welfare Services:

- As part of the H&SS reduction strategy, Child Welfare Services will terminate the Receiving Center contract and issued a request for proposals for the various services provided, including the Wrap-Around Services program. The Wrap Around program is intended to be cost neutral to the State and County and is designed to maintain children in the community as opposed to moving children out of home placements.

CalWORKs program policy changes by the State:

- A grant cut of eight percent (up from five percent), effective July 1, 2011, was approved by the state and may reduce CalWORKs costs. The grant reduction will primarily impact State and Federal funds, as the County share of these costs is

relatively small. Any savings in County General Fund will be reported at Mid-Year.

- An 'earned income disregard' policy that disregards the first \$112 of relevant income and then 50% of all other relevant earnings was approved by the legislature to be effective July 1, 2011.
- Additional grant cuts to child only CalWORKs cases (such as grandparents taking care of their grandchildren), after certain periods of time on aid, for savings of approximately \$100 million. The cuts will be 5% after 60 months, an additional 5% after 72 months, and a final 5% after 8 months, based on the child in the home who has been on aid the longest, retroactive to January 1, 1998.
- Lowered the lifetime time limit for adult participating in CalWORKs from 60 to 48 months, effective July 1, 2011.
- Estimates of cost reductions resulting from these policy changes are not included in the Recommended Budget, since the State has not issued final policy letters, and since reductions to the total of grant amounts issued may vary with caseload changes.

General Assistance:

- The cost of a General Assistance grant is reduced, based on the 8 % CalWORKs grant reductions. Pursuant to the County's General Assistance Program Minute Order the General Assistance rate is tied to the State's CalWORKs rate. An estimated \$430,000 savings to County General Fund is included in the Recommended Budget anticipating that overall cost will be lower. However, caseloads in General Assistance vary from month to month, and this decrease in grant costs may be offset by increases in caseloads over a twelve month period.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	28,570,831	28,745,157	30,262,848	1,517,691	5%
Intergovernmental Rev Federal	25,824,221	27,394,229	27,490,807	96,578	0%
Misc Revenue	1,841,011	469,220	469,220	0	0%
General Fund Contribution	7,397,421	7,292,744	10,978,627	3,685,883	51%
TOTAL REVENUES	63,633,484	63,901,350	69,201,502	5,300,152	8%
APPROPRIATIONS					
Other Charges	63,723,467	63,178,654	69,201,502	6,022,848	10%
TOTAL APPROPRIATIONS	63,723,467	63,178,654	69,201,502	6,022,848	10%
NET COUNTY COST	89,983	(722,696)	0	722,696	(100%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Compared to the FY2010/11 Final Budget, the Recommended Budget reflects a net increase of \$1,614,269, or 2.9%, in State and Federal revenue due to increases in reimbursements for CalWORKs and Foster Care, offset by reductions of \$427,767 in State funding for SED (AB 3632) and the elimination of \$2,259,253 in Federal American Recovery and Reinvestment Act of 2009 (ARRA) funds for IHSS provider wages. State Sales Tax Realignment revenue of \$6,783,483 is budgeted based on the FY2010/11 Third Quarter Projection. The County General Fund Contribution reflects an increase of \$3,685,883 from the FY2010/11 Adopted Budget required to cover the additional demand in General Assistance and the increase cost of In-Home-Supportive Services.

Significant expenditure adjustments include the following:

- Seriously Emotionally Disturbed (SED) (AB3632): A \$1,069,418 decrease to budgeted costs for placement of these children in Foster Homes, due to State suspension of funding, which eliminated this program in FY2010/11. No appropriations are budgeted for this in FY2011/12, and the status of the mandate going forward is unclear this time.
- Foster Care: A \$2,602,379 increase which reflects a full year of the 32% rate increase for Foster Family Agencies implemented by the State in FY2009/10. The budgeted appropriation of \$7,241,902 for Foster Care does not include any changes that may occur due to the implementation of AB 12, which extends foster care to youth ages 18 to 21. It also does

not include a recent court decision imposing 25% rate increase for Foster Family Homes to be implemented in FY2011/12. The Court's decision has been appealed, and a hearing is scheduled at the end of May 2011.

- General Assistance: A \$1,525,474 increase reflecting a 13% increase in cases, to an average of 1,384 per month, with the average grant at \$317 per month. The State will cut CalWORKS payments by 8%, effective July 1, 2011. Per the County's Program Minute Order, General Assistance benefits will be reduced accordingly.
- In-Home Supportive Services: A \$2,259,253 increase for provider payments as a result of the termination of the temporary enhancement of approximately 11.6% to the Federal Medical Assistance Percentages (FMAP) used to determine the state/federal shares of expenditures. The enhanced FMAP, which was funded by ARRA, expires on June 30, 2011. The FMAP reduction lowers the federal share of IHSS costs and correspondingly shifts program costs to the County and State shares, resulting in a higher County cost. The budgeted appropriation of \$8,690,146 assumes a reduction in paid hours, which includes the 3% across the board reduction to provider hours imposed by the State and implemented in FY2010/11. Costs are based on an estimate of 3.3 million paid provider hours, and the hourly wage is assumed at \$11.50 per hour.

DEPARTMENTAL PURPOSE

The In-Home Supportive Services Public Authority (IHSS-PA) is a distinct legal entity that serves as the employer of record for In-Home Supportive Services (IHSS) caregivers (also known as IHSS providers) in Solano County, established in accordance with California Welfare and Institutions Code section 12301.6. The Solano County Board of Supervisors also serves as the governing Board for this legal entity.

FUNCTION AND RESPONSIBILITY

On March 5, 2002, the Solano County Board of Supervisors established a Public Authority (PA) to act as the employer of record for IHSS providers. The IHSS-PA, a governmental entity separate and distinct from Solano County, established an MOU with the County to provide staff and all administrative services for the PA.

The PA operates a Provider Registry of available care providers to match screened caregivers with individuals who need care, or IHSS recipients. The PA also provides training for IHSS providers and recipients, acts as the Employer of Record for IHSS providers in terms of collective bargaining for wages and benefits, administers the IHSS provider health plan benefits, provides support to the IHSS-PA Advisory Committee, and performs any other functions as may be necessary for the operation of the PA or related to the delivery of IHSS in Solano County.

This budget unit reflects the required County General Fund share of: (1) administrative costs incurred by the IHSS-PA and (2) health benefits plan costs for IHSS providers. The County General Fund share of \$8,690,146 for IHSS provider wages can be found in the H&SS Assistance Programs Budget 7900.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The PA has administered the health benefits plan for an average of 600 IHSS providers despite the drop in available funds, which is due to the reduced number of paid provider hours that has occurred with the reductions in services to IHSS clients over the past two years. In July of 2009, the PA was able to provide health benefits to 670 providers with 332 on the waiting list. However, the average number of providers receiving health benefits is dropping due to two factors: 1) the provider share of insurance premiums has increased; 2) the number of paid provider hours was reduced by AB1672 in FY2010/11 and estimated hours are lower than prior years as a result of the 3.6% across the board reduction to service hours for all IHSS recipients. When paid service hours drop, the revenue generated to pay for insurance benefits declines reducing the number of providers who can be insured. In May of 2011, the PA can only provide health benefits to 573 IHSS providers, with 472 on the waiting list.

WORKLOAD INDICATORS

The dedicated Public Authority budget 1521 includes the cost of health benefits and the cost of administration as an operating transfer out to the Health and Social Services Department (H&SS) budget 7690, where the staff and operating costs for administering the Public Authority are appropriated. Relevant workload indicators are incorporated in the narrative for budget 7690.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the IHSS-PA of \$2,753,453 represents an overall decrease of \$35,992, or 1.3%, in both revenues and expenditures when compared to its FY2010/11 Adopted Budget. As a result, the County General Fund's required funding share of \$562,930 is decreased by \$774.

The primary funding source for this Budget is Federal Title XIX (Medi-Cal funding), State funds and County General Fund required match. The State funding is based on statute and provides \$0.60 per paid provider hour for health benefits. The primary costs appropriated in this budget reflect the General Fund's share of the cost of health benefits for care providers projected at \$2,190,000 and of the cost of administration projected at \$553,412.

Symetra Life Insurance Company administers the health benefits program for the care providers, and is the only contract included in this budget. This agreement is rate-based and Symetra sets the rates for the insurance premiums annually. Staffing and operating costs are budgeted in budget 1521 as an operating transfer out to the H&SS budget 7690.

SUMMARY OF POSITION CHANGES

No staff positions are allocated to this Division.

PENDING ISSUES AND POLICY CONSIDERATIONS

Several proposals have been made in the Governor's Budget and in the Assembly for reducing IHSS expenditures in FY2011/12. In the event that any of these proposals reduce the number of paid provider hours, the amount of General Fund share of funding required for IHSS care provider health benefits will also be reduced.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	749,155	739,912	871,595	131,683	18%
Intergovernmental Rev Federal	1,647,492	1,485,829	1,318,928	(166,901)	(11%)
General Fund Contribution	439,941	563,704	562,930	(774)	(0%)
TOTAL REVENUES	2,836,588	2,789,445	2,753,453	(35,992)	(1%)
APPROPRIATIONS					
Other Charges	2,268,866	2,223,846	2,200,041	(23,805)	(1%)
Other Financing Uses	567,722	565,599	553,412	(12,187)	(2%)
TOTAL APPROPRIATIONS	2,836,588	2,789,445	2,753,453	(35,992)	(1%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

A decrease of \$35,992 for the PA's administrative costs in the FY2011/12 budget as compared to the FY2010/11 Adopted Budget is a result of a 3.6% across-the-board reduction in service hours as mandated in Assembly Bill 1612. There was an increase in the Federal Medical Assistance Percentage (FMAP) rate included in the FY2010/11 budget due to the enactment of the American Recovery and Reinvestment Act (ARRA) of 2009, which reduced the County's share of cost only for the health benefits expenditures. However, this additional source of revenue will no longer be available in FY2011/12 since the FMAP rate will revert back to 50% on July 1, 2011. This change to FMAP reduces Federal reimbursement for this program by approximately \$200,600 per year and increases the County General fund cost by approximately \$80,000 per year over the estimated County General Fund cost projected in the FY2010/11 third quarter budget.

DEPARTMENTAL PURPOSE

On March 5, 2002, the Solano County Board of Supervisors established a Public Authority (PA) to act as the employer of record for In-Home Supportive Services (IHSS) providers. Health and Social Services (H&SS) through an MOU with provides the administration for the In-Home Supportive Services Public Authority (PA). The sole purpose of this budget unit is to budget for staff positions and other operating costs.

FUNCTION AND RESPONSIBILITIES

The H&SS dedicates staff and operating expenditures in this budget to fulfill the requirements for administering an IHSS Public Authority Responsibilities include: a) operates a Provider Registry to match screened caregivers with IHSS recipients who need care; b) provides training for IHSS providers and consumers; c) acts as the Employer of Record for providers to conduct collective bargaining for wages and benefits; d) administers the IHSS provider health plan benefits, provides support to the IHSS Public Authority Advisory Committee; and e) performs any other functions as may be necessary for the operation of the Authority.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

H&SS in its role as staff support for the PA, provided services to the community in various areas of responsibility. Accomplishments include:

- Maintained an average of 221 available caregivers on the Registry to match with IHSS recipients. Given the average population of IHSS consumers is 2,897, this average is below the commonly established 10% goal. The reason this occurred is because the Registry was closed for a period of time in FY2010/11 because of laws implemented by the State to not restrict caregivers based on felonies committed. The PA was able to re-start recruitment in February 2011 when the laws were changed and plans to recruit 50-60 new caregivers by the end of FY2011/12.
- Had a 70% success rate in matching available providers with IHSS consumers within 20 days, despite having less staff to provide services. The reduction in staff the PA experienced has resulted in an increased time to match by 5 days, and in the inability to provide enhanced services to difficult-to-serve or limited-English speaking consumers.
- Assisted the In-Home Supportive Services (IHSS) program by processing over 5,000 IHSS providers through the State-mandated Provider Enrollment process. Assistance included mailing and receiving provider enrollment packets to existing providers, providing orientation and processing enrollment paperwork for all new providers, interpreting criminal background results, and approving qualified providers.
- Provided over 5,500 IHSS consumers and caregivers access to training and information through the distribution of a newsletter and annual conference. Providing actual training has been an ongoing challenge given the diminishing resources of both governmental and non-governmental entities.

WORKLOAD INDICATORS

During the period of January 2010 through December 2010, H&SS Public Authority staff received and processed 328 referrals from Older and Disabled Services program, resulting in 237 successful matches between providers and consumers. During the same time period, Additional workload factors include: processed 5,312 providers through state-mandated enrollment, which includes providing on-site orientation training to 1,060 new providers; and received and processed health benefits paperwork for an average of 617 IHSS providers per month, as well as maintained a waiting list of over 442 IHSS providers.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$553,412 for IHSS Public Authority staff and operating costs represents an overall decrease of \$12,187, or 2.2%, in both, revenues and expenditures, when compared to FY2010/11 Adopted Budget. An operating transfer-in from the IHSS Public Authority budget (BU 1521) provides the revenue to cover the expenditures. There is no County Contribution budgeted in budget unit 7690. The costs in this budget are covered by an Operating Transfer-In from the dedicated IHSS Public Authority budget 1521.

Contracts budgeted include:

- Refined Technology, Inc, for \$7,000, provides Care Tracker System software application and technical support. This system is used to manage registry and to administer the health benefits plan.

- Industrial Employers & Distributors Association (IEDA), \$22,588, to provide consulting services in contract negotiations for IHSS providers.

SUMMARY OF POSITION CHANGES

0.25 FTE Public Authority Administrator was deleted on Dec. 14, 2010 per Board Resolution No. 2010-279.

PENDING ISSUES AND POLICY CONSIDERATIONS

Several proposals have been made in the Governor's Budget and the Assembly for reducing IHSS Expenditures in FY2011/12. In the event that any of these proposals reduce the number of paid provider hours, that reduction will also reduce the amount of funding for IHSS care provider health benefits and for staff and operating costs. The May Revise budget proposes additional cuts to Public Authority administration, and the impact to Solano County is under review.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Misc Revenue	2,313	0	0	0	0%
Other Financing Sources	564,123	565,599	553,412	(12,187)	(2%)
TOTAL REVENUES	566,436	565,599	553,412	(12,187)	(2%)
APPROPRIATIONS					
Salaries and Employee Benefits	416,710	416,680	397,823	(18,857)	(5%)
Services and Supplies	86,764	97,430	81,601	(15,829)	(16%)
Other Charges	51,286	62,234	36,779	(25,455)	(41%)
Other Financing Uses	19,368	22,097	21,385	(712)	(3%)
Intra-Fund Transfers	(7,692)	(32,842)	15,824	48,666	(148%)
TOTAL APPROPRIATIONS	566,436	565,599	553,412	(12,187)	(2%)
NET CHANGE	1	0	0	0	0%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The allowable reimbursement rate for the cost of administration was reduced by the State in the FY2010/11 Governor's budget from \$0.27 in FY2009/10 to \$0.13 per paid provider hour. This reduction drastically reduced the staffing and operating costs for this budget in FY2010/11, and these reductions are also reflected in changes to staffing and operating costs in FY2011/12, including the following:

- A \$19,101 decrease in Salaries and Benefits, resulting from a 0.25 FTE deletion in the Public Authority Administrator position;
- A \$15,829 decrease in Services and Supplies;
- A \$25,455 decrease in Other Charges;
- A \$48,666 increase for Intra-Fund Transfers.

FUNCTION AND RESPONSIBILITIES

In November 1988, California voters approved the California Tobacco Health Protection Act of 1988, also known as Prop 99. This referendum increased the State cigarette tax by 25 cents per pack and added an equivalent amount on other tobacco products. A portion of this revenue is deposited in the Health Education Account, which is administered by the California Department of Public Health (CDPH), Under Proposition 99, Health and Social Services (H&SS) Tobacco Prevention and Education Program (TPEP) is designated as the Local Lead Agency for tobacco control to reduce tobacco use in Solano County. The TPEP is required to focus on: countering pro-tobacco influences; reducing exposure to secondhand smoke; reducing the availability of tobacco; promoting tobacco cessation services; and, building local assets to support local tobacco control interventions. In addition, TPEP is required to periodically conduct a community-based needs assessment, implement health education interventions and behavior change programs focused on policy and community norm change, and maintain a community coalition to advise TPEP and H&SS.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$201,985 for the Tobacco Prevention and Education Program represents an overall increase of \$11,985, or 6.3%, in both revenues and expenditures when compared to its FY2010/11 Adopted Budget. There is no County contribution to budget.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	911	0	946	946	0%
Intergovernmental Rev State	181,625	181,625	201,039	19,414	11%
Charges For Services	2,870	8,375	0	(8,375)	(100%)
TOTAL REVENUES	185,406	190,000	201,985	11,985	6%
APPROPRIATIONS					
Salaries and Employee Benefits	162,962	160,493	12,647	(147,846)	(92%)
Services and Supplies	19,013	23,191	17,486	(5,705)	(25%)
Other Charges	7	125	1,950	1,825	1460%
Other Financing Uses	5,170	6,191	169,902	163,711	2644%
TOTAL APPROPRIATIONS	187,151	190,000	201,985	11,985	6%
NET COUNTY COST	1,745	0	0	0	0%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

H&SS changed the methodology for accounting for staff working in this Program. The County is required to have a separate fund, but will now transfer personnel costs from Budget unit 7826. The net decrease of 0.31 FTE in this Division has been absorbed by Public Health.

DEPARTMENTAL PURPOSE

First 5 Solano Children and Families Commission (First 5 Solano) exists to create and foster programs and partnerships with community entities that promote, support and improve the lives of young children, their families and their communities. Children and Families Commissions like First 5 Solano exist in all 58 counties as a result of a ballot initiative approved by California voters in 1998. Proposition 10 was designed as a dedicated funding source (funded by surtaxes on the sale and distribution of tobacco products) that declines over time. Proposition 10 revenues cannot be used to supplant existing programs and/or services.

First 5 Solano's strategic investments of over \$4 million annually are deployed to leverage more than \$5 million more in local, state, federal and foundation dollars for

Solano County's youngest children, supporting community grants that address the health, well-being, social, cognitive, academic and emotional developmental needs of expectant parents, young children and their families. First 5 Solano also funds activities that promote and support a stronger infrastructure and more effective system of services for children from birth to five years of age.

Budget Summary:

FY2010/11 Third Quarter Projection:	8,391,940
FY2011/12 Recommended:	9,100,235
County General Fund Contribution:	0
Percent County General Fund Supported:	60.3%
Total Employees (FTEs):	9

FUNCTION AND RESPONSIBILITIES

First 5 Solano funds programs in six initiative areas: BabyFirst Solano Prenatal Initiative, Early Childhood Mental Health Initiative, Children's Health Initiative, School Readiness Initiative, Quality Child Care Initiative, and Integrated Family Support Initiative. First 5 Solano also directly operates several programs, such as partnering with the business community through the BEST (Business Engagement Strategy Team) Approach, providing information on parenting to new parents, participating in community events, advocating for legislation that will support the infrastructure and safety net services for children ages 0-5 and their families.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	232,841	274,323	65,635	(208,688)	(76%)
Intergovernmental Rev State	3,961,834	3,939,513	3,783,595	(155,918)	(4%)
Intergovernmental Rev Federal	533,090	606,640	536,622	(70,018)	(12%)
Charges For Services	438,434	456,000	456,000	0	0%
Misc Revenue	22,541	20,000	0	(20,000)	(100%)
From Reserve	0	0	4,258,951	4,258,951	0%
TOTAL REVENUES	5,188,741	5,296,476	9,100,803	3,804,327	72%
APPROPRIATIONS					
Salaries and Employee Benefits	987,702	1,046,095	1,100,608	54,513	5%
Services and Supplies	290,200	386,423	248,040	(138,383)	(36%)
Other Charges	5,947,113	7,902,991	7,706,083	(196,908)	(2%)
Other Financing Uses	106,537	41,764	45,504	3,740	9%
TOTAL APPROPRIATIONS	7,331,551	9,377,273	9,100,235	(277,038)	(3%)

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Implemented \$1 Million Community Stability Fund to provide assistance for basic needs support for families during the economic downturn.
- Launched the Business Engagement Strategy Team (BEST) Approach, which aims at partnering with business and business groups to increase awareness of the importance of early childhood.
- Initiated First 5 Futures, a revenue-generating strategy designed to sustain needed services in Solano County for children ages 0-5 and their families by identifying and accessing alternative sources of funding to replace declining tobacco tax

revenues.

- Continued to see a decrease of Proposition 10 revenues ("tobacco tax"), as Californians recognize the dangers of smoking and reduce their use of tobacco products.

WORKLOAD INDICATORS

- During the period of July 1, 2010 – June 30, 2011, First 5 Solano managed 30 direct-service contracts for almost \$6.1 million, which provided services to approximately 10,000 children, an increase of 2% over the prior year.
- During the same 12-month period, First 5 Solano's Partnership for Early Access for Kids (PEAK) Initiative partners (Children's Nurturing Project and EMQ/Families First) provided mental/developmental health screenings for over 700 children.
- During the same 12-month period, First 5 Solano contracted with Child Welfare Services, a Division of the County's Health & Social Services (H&SS) Department, for home-visits for over 200 children who remained safely in their homes/communities.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
First 5 Solano	5,188,741	5,296,476	4,841,852	(454,624)	(9%)
TOTAL REVENUES	5,188,741	5,296,476	4,841,852	(454,624)	(9%)
APPROPRIATIONS					
First 5 Solano	7,331,551	9,377,273	9,100,235	(277,038)	(3%)
TOTAL APPROPRIATIONS	7,331,551	9,377,273	9,100,235	(277,038)	(3%)
CHANGE IN FUND BALANCE					
First 5 Solano	2,142,810	4,080,797	4,258,383	177,586	4%
TOTAL CHANGE IN FUND BALANCE	2,142,810	4,080,797	4,258,383	177,586	4%
STAFFING					
First 5 Solano	9	9	9	0	0%
TOTAL STAFFING	9	9	9	0	0%

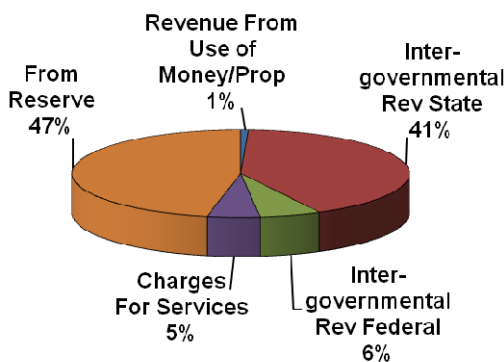
DEPARTMENTAL BUDGET SUMMARY

The Proposed Budget for First 5 Solano of \$9,100,802 represents overall decreases of \$454,624, or 8.6%, in revenues and \$277,036, or 3%, in expenditures when compared to its FY2010/11 Adopted Budget. As a result, the Reserves will decrease by \$177,586.

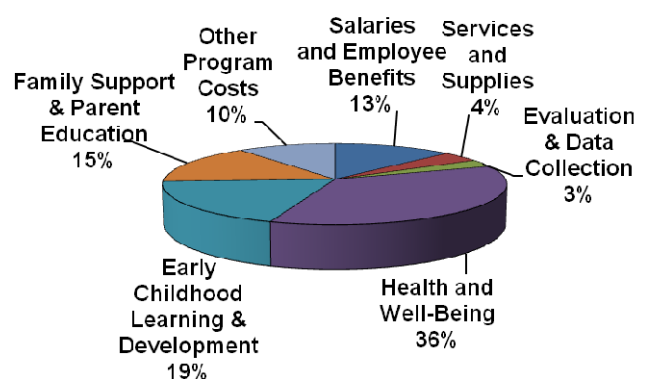
The primary funding source for the Department, Proposition 10 Tobacco Tax, is declining, as tobacco sales were meant to decline with the increased recognition of the dangers of smoking. To meet this challenge, the Department has launched a new effort called First 5 Futures, a five-year plan which seeks to sustain services in the community by replacing half of the Department's revenues with alternative sources of funding from other government and foundation grants and business partnerships.

The primary cost centers are grant-funded initiatives and internally run programs and services. First 5 Solano will enter into the fifth year of a 5-year funding cycle in FY2011/12, with over 30 contracts totaling \$6.1 million, for services to children ages 0-5 and their families.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	232,841	274,323	65,635	(208,688)	(76%)
Intergovernmental Rev State	3,961,834	3,939,513	3,783,595	(155,918)	(4%)
Intergovernmental Rev Federal	533,090	606,640	536,622	(70,018)	(12%)
Charges For Services	438,434	456,000	456,000	0	0%
Misc Revenue	22,541	20,000	0	(20,000)	(100%)
From Reserve	0	0	4,258,951	4,258,951	0%
TOTAL REVENUES	5,188,741	5,296,476	9,100,803	3,804,327	72%
APPROPRIATIONS					
Salaries and Employee Benefits	987,702	1,046,095	1,100,608	54,513	5%
Services and Supplies	290,200	386,423	248,040	(138,383)	(36%)
Other Charges	5,947,113	7,902,991	7,706,083	(196,908)	(2%)
Other Financing Uses	106,537	41,764	45,504	3,740	9%
TOTAL APPROPRIATIONS	7,331,551	9,377,273	9,100,235	(277,038)	(3%)

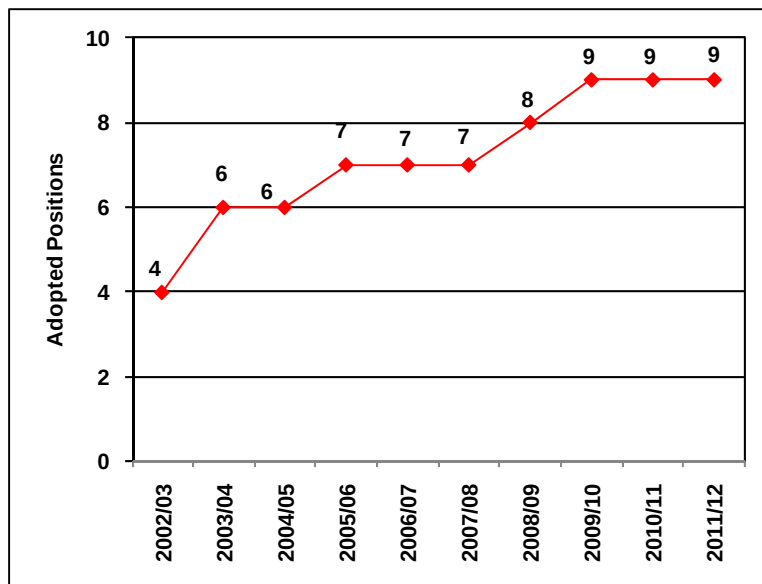
SUMMARY OF SIGNIFICANT ADJUSTMENTS

In the current fiscal year, there was a decrease of \$200,000 in State Revenue from First 5 California (coordination funding for four School Readiness Programs and matching funds for the operation of the Dixon School Readiness program site), mitigated by an increase of \$136,313 for a new First 5 California state match program, CARES Plus, to provide workforce development to child care providers.

SUMMARY OF POSITION CHANGES

No changes.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

In March 2011, the State legislature approved and the Governor signed AB99, which sweeps \$1 billion from First 5 Commissions statewide (\$950 million from county First 5 trust accounts and an additional \$50 million First 5 California) for the

FY2011/12 state budget. Several First 5 Commissions have sued to block this action. Solano's First 5 Commission recommended, and the Board of Supervisors in April 2011 approved, to initiate litigation to protect these local trust funds. First 5 Solano stands to lose over \$8.8 million if the State's action is sustained. This would effectively wipe out First 5 Solano's reserves by the end of FY2011/12 unless drastic action is taken to cut local contracts and services.

In addition to its direct-service contracts for around \$6.1 million, First 5 Solano currently holds contracts of about \$2.7 million annually (out of a total budget of about \$9 million) with H&SS, so significant changes to First 5 funding could directly impact H&SS operations. There are also significant potential negative impacts for First 5 Solano's direct-service contracts with many city, school district and community partners serving approximately 10,000 children.



Veterans Services

- Claims Assistance
- Claims Advocacy
- Dependents Tuition Fee Waiver Program
- Community Outreach and Education

DEPARTMENTAL PURPOSE

The Solano County Veterans Services Office (CVSO) was established in 1944 by the Solano County Board of Supervisors to assist the men and women who served in the Armed Forces, their dependents and survivors in obtaining benefits from Federal, State and local agencies administering programs for veterans.

Budget Summary:

FY2010/11 Third Quarter Projection:	574,893
FY2011/12 Recommended:	571,408
County General Fund Contribution:	426,408
Percent County General Fund Supported:	74.6%
Total Employees (FTEs):	4

FUNCTION AND RESPONSIBILITIES

The CVSO assists veterans in applying for Monetary Benefit Programs, Survivors Benefits, Medical Benefits, Educational Programs, Veterans Administration (VA) Life Insurance Programs, State Veterans Homes, Veterans Property Tax Exemptions, Burial Benefits and VA National Cemeteries.

The Office has Veterans Benefits Counselors who are fully accredited by the U. S. Department of Veterans Affairs (VA), and therefore, able to offer comprehensive benefits counseling, claims preparation and submission, claims monitoring and follow-up, and development and submission of appeals.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Increased the services provide to active-duty service members as part of the Transition Assistance Program (TAP) at Travis Air Force Base (TAFB). TAP allows the active-duty member to begin the VA claims process prior to separation in order to receive a faster decision on their claims.
- Implemented a new procedure for the processing of Dependents Tuition Fee Waivers to compensate for the loss of clerical support while ensuring the timeliness of processing the requests.

WORKLOAD INDICATORS

- From January 1, 2010 through December 31, 2010 the CVSO assisted in filing 2,774 claims that resulted in the award of 1,107 benefits to veterans or their survivors. These awards resulted in an increase of over \$472,600 in monthly benefits paid, which is more than \$5.6 million on an annualized basis. Also, as a result of these claims, over \$3.8 million in retroactive benefits were paid and lump-sum payments of \$673,871 were made.
- During the same period, the CVSO granted 995 Disabled Veterans' Dependents Fee Waivers, which grants a waiver of tuition and fees to the eligible dependents of disabled veterans, for a savings of \$4,144,856 to the veterans.
- Also during the same period, 175 separating service members from TAFB participated in the CVSO's TAP and applied for benefits.

Bill Reardon, Director of Veterans Services
Functional Area Summary

5800-Veterans Services
Veterans Services

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Veterans Services	157,591	145,000	145,000	0	0%
TOTAL REVENUES	157,591	145,000	145,000	0	0%
APPROPRIATIONS					
Veterans Services	615,228	574,893	571,408	(3,485)	(1%)
TOTAL APPROPRIATIONS	615,228	574,893	571,408	(3,485)	(1%)
NET COUNTY COST					
Veterans Services	457,637	429,893	426,408	(3,485)	(1%)
TOTAL NET COUNTY COST	457,637	429,893	426,408	(3,485)	(1%)
STAFFING					
Veterans Services	6	5	4	(1)	(20%)
TOTAL STAFFING	6	5	4	(1)	(20%)

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the Solano County VSO of \$571,408 represents no change in revenues and a decrease of \$3,485 or 0.6% in expenditures when compared to its FY2010/11 Adopted Budget. As a result, the Net County Cost decreased by \$3,485.

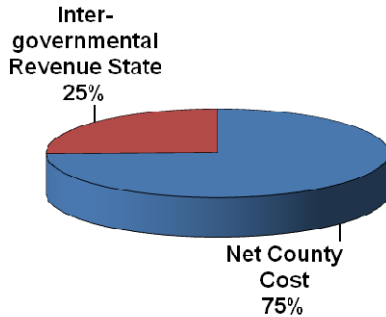
The CVSO is primarily funded by the General Fund. Expenditures are largely due to Salaries and Employee Benefits. Revenues are received from the State through a Subvention program that provides \$2.6 million statewide to help offset costs to the counties for providing services to veterans. This funding is distributed based on individual counties' workload data. Solano County has consistently ranked in the top 5 or 6 counties for workload and consequently for Subvention revenue received. Funding for FY2011/12 is expected to remain at the same level as previous years.

While Salaries and Benefits decreased \$61,591 due to reductions in staffing, this was offset by an increase of \$78,399 for the accrued leave payoff for the Director, who is intending to retire in July 2011.

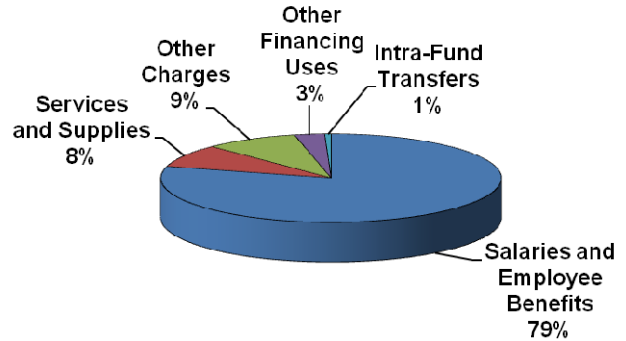
DEPARTMENT COMMENTS

As part of the countywide effort to deal with the structural deficit, the Department accepted an employee's application for the PARS Supplementary Retirement Plan (SRP) in FY2010/11. The Department will accordingly restructure its organization, functions and program service delivery models, including closing of the satellite office in Vallejo and the re-direction of the clients served by that office to the main office in Fairfield.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2009/10 ACTUALS	2010/11 ADOPTED BUDGET	2011/12 CAO RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	157,591	145,000	145,000	0	0%
TOTAL REVENUES	157,591	145,000	145,000	0	0%
APPROPRIATIONS					
Salaries and Employee Benefits	478,879	435,814	452,622	16,808	4%
Services and Supplies	45,238	40,179	48,096	7,917	20%
Other Charges	74,104	76,976	50,879	(26,097)	(34%)
Other Financing Uses	13,197	18,724	16,311	(2,413)	(13%)
Intra-Fund Transfers	3,811	3,200	3,500	300	9%
TOTAL APPROPRIATIONS	615,228	574,893	571,408	(3,485)	(1%)
NET COUNTY COST	457,637	429,893	426,408	(3,485)	(1%)

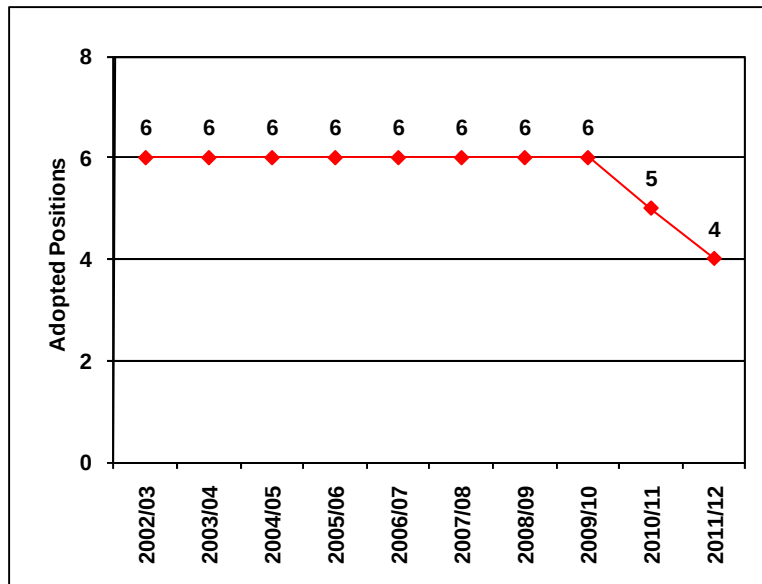
SUMMARY OF SIGNIFICANT ADJUSTMENTS

As a result of the FY2010/11 PARS SRP offering, staffing has been reduced by 1.0 FTE Veterans Benefits Counselor and necessitates the closing of the satellite office in Vallejo. The Counselor formerly holding office in Vallejo will be brought back to the Fairfield office to take over the caseload of the retired Veterans Benefits Counselor, as well as to assist with the clients formerly served from the Vallejo office.

SUMMARY OF POSITION CHANGES

The Recommended Budget includes reclassifying an allocated Office Assistant III position, which is currently underfilled, to that of an Office Assistant II classification. The reclassification will appropriately reflect the job duties being performed. Additionally, as a result of the FY2010/11 PARS SRP, 1.0 FTE Veterans Benefits Counselor position has been deleted.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

The Department Head intends to retire in July 2011. This will require an accrued leave payoff of approximately \$78,399, which is included in the Department's budget.

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