

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 residents of Solano County. The Department administers Health, Mental Health, and Social Service programs that counties are mandated to provide under State and Federal law.

Budget Summary:

FY2014/15 Third Quarter Projection:	276,767,945
FY2015/16 Recommended:	315,098,964
County General Fund Contribution:	24,231,022
Percent County General Fund Supported:	7.7%
Total Employees (FTEs):	1,264.55

FUNCTION AND RESPONSIBILITIES

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

Administration (BU 7501) provides day-to-day executive management and direction, budget and fiscal management, research planning, compliance activities, contract management, payroll, recruitment, and departmental training.

Social Services (BU 7680) include Employment and Eligibility Services, Welfare Administration, Child Welfare Services, as well as Older and Disabled Adult Services (ODAS) with the Public Guardian's Office and Public Authority.

- Employment and Eligibility Services (E&E) promotes self-sufficiency by assisting low-income families and individuals with obtaining employment, access to health care, food and cash assistance.
- Welfare Administration (WA) includes Fiscal Issuance and the Special Investigations Bureau (SIB). SIB is responsible for the detection and investigation of alleged fraud in various public assistance programs as well as the computation and collection of welfare fraud debts and conducts administrative appeal hearings as requested by clients of applicable programs.

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- Child Welfare Services (CWS) intervenes on behalf of children who need protection from abuse and neglect. The ultimate goal of CWS is to preserve the family, whenever possible. The functions of CWS include programs to strengthen families, adoption assistance, foster home licensing, placement assessment, and independent living guidance so children may grow into healthy productive adults.
- Older and Disabled Adult Services (ODAS) focuses on comprehensive, integrated assistance for older and disabled adults, including domestic and personal In-Home Supportive Services (IHSS), 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 (BU 7780) includes Mental Health, Mental Health Managed Care, and Substance Abuse. The Division provides treatment, case management, rehabilitation and community support services to seriously emotionally disturbed children and mentally ill adults. The programs include emergency psychiatric services and involuntary hospitalizations. The Mental Health Services Act (Proposition 63) provides a large portion of the 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 (BU 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. The services include support to Emergency Medical Services (EMS), Public Health Laboratory testing, Public Health Nursing and home visiting, communicable disease surveillance, Maternal, Child and Adolescent Health programs. Family Health Services operates three primary care clinics and a pediatric clinic, three integrated care clinics, three dental clinics, dental services at WIC clinics, as well as mobile dental and mobile primary care services. The Medical Services budget provides funds for the County's medically indigent adult services through participation in the County Medical Services Program (CMSP), Federal and State funds and Medi-Cal reimbursements.

The Assistance Program (BU 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) County match contribution, General Assistance (GA), County Only Foster Care. H&SS also administers the CalFresh (Food Stamps) program; however, CalFresh benefits are issued directly to the recipient thus these costs are not included in the County budget.

Functional Area Summary

7500 – Fund 902-H&SS-Department Summary

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DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
ADMINISTRATION DIVISION	1,920,627	3,243,502	2,722,405	(521,097)	(16.1%)
BEHAVIORAL HEALTH DIVISION	52,609,424	61,116,034	71,291,790	10,175,756	16.6%
SOCIAL SERVICES DIVISION	75,043,136	89,809,938	98,414,019	8,604,081	9.6%
IHSS - PA ADMINISTRATION	1,106,098	1,236,643	1,352,465	115,822	9.4%
PUBLIC ASSISTANCE PROGRAMS	49,900,451	51,235,505	52,700,632	1,465,127	2.9%
HEALTH SERVICES DIVISION	49,084,275	57,572,381	60,192,842	2,620,461	4.6%
GENERAL FUND CONTRIBUTION	20,998,974	20,681,449	24,231,022	3,549,573	17.2%
TOTAL REVENUES	250,662,985	284,895,452	310,905,175	26,009,723	9.1%
APPROPRIATIONS					
ADMINISTRATION DIVISION	4,622,371	5,471,378	5,020,345	(451,033)	(8.2%)
BEHAVIORAL HEALTH DIVISION	58,636,975	69,936,196	81,939,257	12,003,061	17.2%
SOCIAL SERVICES DIVISION	80,187,544	94,185,815	103,054,057	8,868,242	9.4%
IHSS - PA ADMINISTRATION	1,105,774	1,235,775	1,352,465	116,690	9.4%
PUBLIC ASSISTANCE PROGRAMS	58,667,857	60,002,910	61,280,105	1,277,195	2.1%
HEALTH SERVICES DIVISION	50,597,398	59,773,312	62,452,735	2,679,423	4.5%
TOTAL APPROPRIATIONS	253,817,919	290,605,386	315,098,964	24,493,578	8.4%
NET CHANGE	3,154,934	5,709,934	4,193,789	(1,516,145)	(26.6%)
STAFFING					
ADMINISTRATION DIVISION	78.50	83.50	89.50	6.00	7.2%
BEHAVIORAL HEALTH DIVISION	165.50	182.00	212.70	30.70	16.9%
SOCIAL SERVICES DIVISION	605.75	640.65	670.65	30.00	4.7%
IHSS - PA ADMINISTRATION	5.00	5.00	6.00	1.00	20.0%
PUBLIC ASSISTANCE PROGRAMS	0.00	0.00	0.00	0.00	0.0%
HEALTH SERVICES DIVISION	318.90	307.70	285.70	(22.00)	(7.1%)
TOTAL STAFFING	1,173.65	1,218.85	1,264.55	45.70	3.7%

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of \$26,009,723 or 9.1% in revenues and \$24,493,578 or 8.4% in appropriations when compared to the FY2014/15 Adopted Budget. The net cost of \$4,193,789 is funded by a reduction in the IGT Restricted Fund Balance in H&SS fund 902.

The General Fund Contribution of \$24,231,022 increased by \$3,549,573 due to increases of \$3,473,344 in Behavioral Health, and \$264,161 in Social Services, offset by \$187,932 decrease in Assistance.

Primary Funding Sources

The primary funding sources for H&SS are Federal and State Program revenues of approximately \$165.1 million (48% of total); 1991 State – Local Realignment - \$40.5 million; 2011 Public Safety Realignment - \$30.1 million; and in Charges for Services estimated at \$27 million. The County General Fund contribution of \$24,231,022 represents 7.7% of H&SS funding and includes the required maintenance of effort (MOE) for several program areas.

Program Revenue

Program revenues are earned primarily by two methods; first, through reimbursement for actual costs, based upon time studies in which staff document hours worked in each program/activity, cost reports, or other methods of documenting actual program costs. Second, is fee for service revenue, as a result of billing various third party payers, primarily Medi-Cal, on either a unit-of-service basis or a capitated payment.

County overhead and Departmental administrative costs are distributed to all programs in H&SS and are included in each program's budget. The administrative costs include fixed operational expenses such as: utilities, DoIT, and County Administrative Overhead (A-87) charges that are incorporated into the Department's federal/state claims for cost reimbursement, and are used in calculating H&SS rates paid by third parties. As a result, the majority of revenues received by H&SS include reimbursement for both the direct costs associated with the individual employee providing specific service as well

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as Department administrative costs and direct charges from other County Departments providing support services to H&SS. In FY2015/16, direct charges from other County departments plus Countywide Administrative Overhead total \$19.9 million, of which 93% or approximately \$18.5 million, in Federal and State funds are used to offset the County General Fund costs for various County central service departments.

The majority of State General Fund allocations for human service programs have been included in 2011 Realignment; however, the County still receives State allocations for a few programs, that are matched 50% by Federal funds, which includes the administration of the CalFresh, Medi-Cal, and CalWORKs programs. Since 2011, State sources of funding are fixed (either by allocation or a percentage of Realignment funds collected). Federal revenues are often matching funds for programs where the State shares; however, the federal portions are based upon the actual cost of providing the service. Federal revenues included in the budget are developed using a number of factors: caseload, number of filled positions each quarter, along with costs for each position and overhead and other costs associated with each filled position; productivity; interim, estimated or approved reimbursement rates.

1991 Realignment

1991 Realignment, a dedicated percentage of State sales tax and Vehicle License Fees (VLF), is the second major funding source for H&SS. The distribution of funds amongst counties is based upon formulas established in 1991. Funds are designated for specified human services programs, mostly Federal, which the State and the County have traditionally shared the “local” costs in order to draw down Federal matching funds. In order to continue to receive the 1991 Realignment funds, the County is obligated to fund the State share of program costs, and/or has a fixed maintenance of effort amount. Regardless of actual Realignment revenues received, the County’s share of costs for the Realigned programs is a fixed percentage.

Since Realignment funds are generated by sales tax and VLF, the funding can fluctuate based on economic conditions; the amount of state collected and distributed revenues had substantially declined from the high of \$41.7 million in FY2008/09. However, since FY2011/12 these revenues have been slowly trending upward. FY2015/16 includes \$40.5 million in 1991 Realignment funds.

1991 Realignment funds are allocated to three main areas:

- Health Services – a portion of the Health Realignment funding (approximately \$6.8 million) previously set aside for the County Medi-Cal services Program (CMSP) for indigent health care is being redirected at the State level to fund Social Services programs. The balance is available to support uncompensated costs in the Family Health Services budget and to fund the realigned Public Health programs.
- Social Services – funds are dedicated for Child Welfare Services, Foster Care, and In-Home Supportive Services (IHSS) program. By statute, any growth in overall 1991 Realignment is first used to fund caseload growth for Social Services.
- Mental Health – funds are used to pay the 50% local share for services for adult Medi-Cal clients (the balance is reimbursed by federal funds) and for the full costs of services provided to indigents and other low-income clients. Under 2011 Realignment, the funds allocated to this account have been shifted to pay for the County’s increased share of costs for the CalWORKs assistance programs (approximately \$11 million); however, the State is required to fully replace the 1991 Realignment funds shifted from Mental Health to CalWORKs and is responsible for any shortfall in funding.

A portion of the funds, previously set aside for the County’s obligation to pay for indigent health care (W&I Code Section 17000) is now being redirected at the State level to fund Social Services programs including increases in CalWORKs grants. With the Affordable Care Act, the State anticipates that County –level costs and responsibilities for healthcare services for the indigent population will decrease because a majority of this population will be eligible for Medi-Cal. The enactment of AB85, effective January 1, 2014, provided the mechanism for redirecting the realignment funds.

AB85 also changed the growth distribution within the three main areas. Social Services receives first call on growth (caseload) but will no longer receive general growth. Health Services will receive significantly less general growth from approximately 52% to 18.45%, while Mental Health remains the same at approximately 40%.

2011 Realignment

The major portion of the 2011 Public Safety Realignment funding is dedicated to human service programs and substantially changed how those programs are funded in California. H&SS estimates \$30.1 million in 2011 Realignment funds for

FY2015/16, which is an increase of approximately \$5.2 million. These funds are dedicated to Child Welfare Services, Foster Care, Mental Health, and Substance Abuse programs. The 2011 Realignment legislation completed the transfer of responsibility for all financing of human services programs from the State to the counties. Previously under the 1991 Realignment, the counties were required to fund a certain percentage of the program costs; starting in 2011, counties are fully responsible for funding the non-federal share of these programs.

Both realignment funds (1991 and 2011) are heavily dependent upon economic conditions since their source is sales tax and VLF. During periods of economic downturn, funding declines while demand for human services programs increases. The increased risk of revenue loss during periods of peak demand requires H&SS to monitor cash receipts, project future revenues based on economic indicators, track service level demand, and develop cost-effective service delivery systems. Changes enacted as part of phase two and three of 2011 Realignment are still in the process of being implemented by the State, including the recent enactment of AB85. Uncertainties regarding specific funding levels and financing mechanisms are likely to continue for several years.

County General Fund

The FY2015/16 Recommended Budget includes a County General Fund contribution in the amount of \$24,231,022 and an increase of \$3,549,573 to the FY2014/15 Adopted Budget. The growth is comprised of the following:

- \$187,932 reduction in Assistance Programs due to a decrease in Foster Care costs offset by an increase in General Assistance.
- \$264,161 increase in Social Services primarily to fund the IHSS MOE increase and cost increases for programs purely funded by the County, including General Assistance and the Public Guardian/Conservator/Administrator.
- Increases of \$3,473,344 in Behavioral Health to fund increases in mandated placement costs and non-reimbursable costs associated with the transfer of the Integrated Care Clinics to Mental Health.

The County General Fund Contribution of \$24,231,022 is appropriated with \$8,579,473 funding the Assistance Programs, and \$15,651,549 funding the following operations in H&SS:

- \$3,537,087 for required Maintenance of Effort for Public Health, California Children's Services, Mental Health, CalWORKs Administration, and IHSS MOE.
- \$809,548 for the required CMSP participation fee.
- \$228,199 in mandatory match payments for Federal/State programs for Child Welfare Services and CalWIN.
- \$5,554,565 for mandated adult psychiatric inpatient services.
- \$2,675,002 to fund some programs at the minimum level necessary. These programs include Public Health Laboratory, Public Guardian, General Assistance Eligibility determination and administration. In most cases, these programs are supplemented by outside sources of funding, including competitive grants and charges for services.
- \$2,645,288 for principal payments related to debt service and other countywide administrative costs that are non-claimable.
- \$201,860 used as matching fund for the Second Chance Grant and Area Agency on Aging.

Primary Operational Expenditures

Primary costs included in the Health and Social Services Department (Fund 902) allocated by Division:

- Administration (BU 7501) \$5,020,345 in appropriations which recovers most costs through administrative overhead intrafund transfers.
- Social Services (BU 7680) \$103,054,057 in appropriations which includes Employment and Eligibility Services and CARES serving Children and Adults.
- IHSS Public Authority (BU 7690) \$1,352,465 in appropriations which is a function of Social Services.
- Behavioral Health (BU 7780) \$81,939,257 in appropriations which includes Mental Health and Substance Abuse.

7500 – Fund 902-H&SS-Department Summary
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Functional Area Summary

- Health Services (BU 7880) \$62,452,735 in appropriations which includes Public Health and Family Health Services.
- Assistance Programs (BU 7900) \$61,280,105 in appropriations which includes California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Assistance, IHSS Provider Program, and General Assistance (GA).

Other Administered Budgets not part of Fund 902 include a \$4,257,181 appropriation for the IHSS Public Authority (Fund 152 BU 1520), \$256,004 appropriation for Tobacco Prevention and Education (Fund 390 BU 7690) and a transfer out of \$19,094,484 from the Mental Health Services Act (Fund 906 BU 9600) to Behavioral Health Services (Fund 902 BU 7780). Additional details on the program costs can be found in the H&SS Divisions and Other Administered Budget sections of the Recommended Budget for Health and Public Assistance.

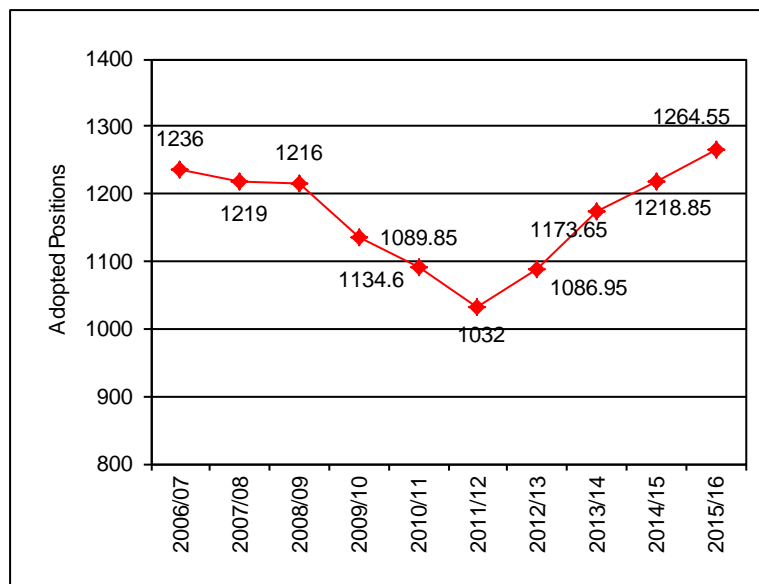
DEPARTMENT COMMENTS

None.

SUMMARY OF POSITION CHANGES

Details on position changes are described in each H&SS Division.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

Details on Pending Issues and Policy Considerations are described in each H&SS Division.

DEPARTMENTAL PURPOSE

Health and Social Services Administration Division provides day-to-day management and direction of support functions needed for the Health and Social Services Department (H&SS) to promote self-reliance and safeguard the physical, emotional and social well-being of Solano County residents.

FUNCTION AND RESPONSIBILITIES

The Administration Division provides executive leadership and direction for the five divisions and many program areas. The Administration Division includes Budget and Financial Management, Employee Services and Training, Research & Planning, Compliance Unit, Contracts Management, Community Services and Special Projects.

Budget and Financial Management

Budget and Financial Management is responsible for Financial Services functions including budgeting, accounting, revenue recovery, and financial oversight. Administration is also responsible for purchasing and inventory management, records management, and the coordination of facility maintenance.

Employee Services and Training

Employee Services and Training oversees H&SS hiring and payroll operations, and coordinates department-wide County mandated training.

Research & Planning

Research and Planning is responsible for researching, planning and developing initiatives in support of departmental operations, programs and services, analyzing legislation, developing grant applications and program proposals, and serving as H&SS Care and Shelter Coordinator.

Compliance Unit

The Compliance Unit is responsible for department-wide regulatory compliance and quality assurance including developing and implementing policies, procedures, and practices defined by regulatory agencies for H&SS programs. Additionally, the Compliance Unit identifies and analyzes potential risks, oversees internal and external compliance audits, coordinates compliance training and education, investigates and resolves privacy and security incidents, and functions as H&SS civil rights coordinator.

Contracts Management Unit

Contract Management is responsible for the administration and monitoring of more than 400 contracts and service agreements with an annual value of approximately \$106 million.

Community Services and Coordination

Community Services is responsible for leading projects and coordinating with other departments, agencies, cities, and community organizations to improve the delivery of services in the community, promote rapid rehousing, and facilitate collaboration with employment services and other rehabilitative opportunities for residents suffering from poverty or homelessness.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Cross System Business Intelligence Reporting and Analytics

H&SS in collaboration with other county partners has begun discussions of developing options for data analytics and business intelligence. Business Intelligence will enable the department to examine data from the many disparate case management and financial systems, and integrate, transform, map, and model the data into useful information to support decision making and predictive and confirmation purposes.

Medicaid and Fee-For-Service Reimbursements

The Federal reimbursement process has increased the Department's responsibility to ensure that claims and bills are based on accurate program costs. The Medicaid and other funding sources based on a fee-for-service model have increased the

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complexity of the claims and the associated cost settlement process for impacted programs. A heightened Federal and single audit requirement has also increased responsibility relating to the monitoring of contractors and sub recipients.

Automation Initiatives

Automation and electronic workflow processes are continuing with a focus on streamline work procedures in purchasing and contracting, vendor and provider payments, and real time tracking of space needs through office use scheduling.

WORKLOAD INDICATORS

Financial Services managed approximately \$415 million: \$294 million budget including Assistance, In-Home Supportive Services Program for provider wages, benefits and Public Authority Administration, \$76 million in client benefits paid by the State, \$10 million in client assets and \$35 million in other funds (including restricted trust funds).

In FY2014/15 Administration managed 414 contracts, with a total value of \$106 million of which approximately \$70 million was supported with Federal funds. The Office of Management and Budget (OMB) Super Circular requires that H&SS implement changes in requirements and rules governing expenditures, administration, audit of federal grants for all federally funded programs or sub-recipients. The significant changes in requirements include a focus on performance over compliance for accountability, efficient use of information technology and shared services, providing consistent and transparent treatment of costs, limiting allowable costs to make best use of Federal resources, strengthening oversight; targeting audit requirements on risk of waste, fraud, payment errors, and abuse.

DIVISION BUDGET SUMMARY

The Recommended Budget represents a decrease of \$521,097 or 9.4% in revenues and \$451,033 or 8.2% in appropriations when compared to the FY2014/15 Adopted Budget with no additional increase in the County General Fund Contribution.

Primary Funding Sources

The primary sources of funding for Administration includes Intra-Fund Transfers representing reimbursement of allowable administrative costs from various H&SS program divisions, contract services revenue for administrative fees related to the oversight and coordination of the Medi-Cal Administrative Activities on behalf of community based organizations; operating transfers-in to fund Board approved contributions to non-County agencies, and General Fund Contribution primarily used to fund non-reimbursable costs.

Primary Cost

Primary costs for the Administration Division are: \$9,769,665 for salaries and employee benefits; \$4,537,595 for services and supplies which include Medi-Cal Administration Activities (MAA) pass through costs; \$2,035,892 for other charges which include A-87 charges, contributions to non-county agencies, and contracted direct services for Housing and Urban Development (HUD) grants directly administered by H&SS; \$1,619,419 for other financing uses which include debt service costs; and offsetting intrafund transfers of \$12,951,226 which represents the projected share of reimbursable administration costs charged Department wide to all H&SS programs.

Summary of Division Budget

7501 – Fund 902-H&SS Administration Gerald Huber, Director of Health & Social Services Health & Public Assistance

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	91,685	83,500	106,204	22,704	27.2%
INTERGOVERNMENTAL REV STATE	0	191,126	7,307	(183,819)	(96.2%)
INTERGOVERNMENTAL REV FEDERAL	1,070,145	2,166,157	1,639,259	(526,898)	(24.3%)
CHARGES FOR SERVICES	62,185	102,344	269,260	166,916	163.1%
MISC REVENUE	61,081	400	400	0	0.0%
OTHER FINANCING SOURCES	635,531	699,975	699,975	0	0.0%
GENERAL FUND CONTRIBUTION	2,711,141	2,297,940	2,297,940	0	0.0%
TOTAL REVENUES	4,631,768	5,541,442	5,020,345	(521,097)	(9.4%)
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	7,206,540	9,198,235	9,769,665	571,430	6.2%
SERVICES AND SUPPLIES	3,739,457	4,534,190	4,537,595	3,405	0.1%
OTHER CHARGES	2,346,194	2,098,625	2,035,892	(62,733)	(3.0%)
F/A EQUIPMENT	0	0	9,000	9,000	0.0%
OTHER FINANCING USES	2,122,743	2,288,335	1,619,419	(668,916)	(29.2%)
INTRA-FUND TRANSFERS	(10,792,563)	(12,648,007)	(12,951,226)	(303,219)	2.4%
TOTAL APPROPRIATIONS	4,622,371	5,471,378	5,020,345	(451,033)	(8.2%)
NET CHANGE	(9,397)	(70,064)	0	70,064	(100.0%)
STAFFING					
ADMINISTRATION DIVISION	78.5	83.5	89.5	6.0	7.2%
TOTAL STAFFING	78.5	83.5	89.5	6.0	7.2%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2015/16 Recommended Budget projects a net decrease of \$521,097 in revenues and \$451,033 in appropriations.

The net decrease of \$521,097 in revenues is primarily due to the following:

- Increase of \$22,704 in interest income due to increased overall cash balance in H&SS Fund 902.
- Decrease of \$710,717 in intergovernmental revenues due to a decrease in MAA (Medi-Cal Administrative Activities) pass through revenues of \$343,080 as a result of the phasing out of the Solano County SMAA (School based MAA) contract with the SMAA sub-recipients. SMAA sub-recipients will be claiming SMAA through the Local Educational Consortium (LEC) Service Region IV. The remaining decrease of \$382,252 is due to the reclassification of claimable costs associated with the Compliance Program from the Intergovernmental Revenues category to the Intra-Fund Transfers category.
- Increase of \$166,916 in charges for services is primarily the result of an A-87 credit.

The net decrease of \$451,033 in appropriations is primarily due to the following:

- Increase of \$571,430 in Salaries and Benefits primarily is due to the addition of 5.0 FTE positions and a request for reclassification of certain fiscal positions within Administration.
- Decrease of \$62,733 in Other Charges is primarily due to decreases of \$22,982 in A-87 costs and \$46,286 in Administration's share of direct charges from the Auditor Controller's Office (ACO) for disability leave processing costs. In prior year, 100% of direct charges for the disability leave processing costs (a portion of the salaries and benefit costs of a payroll clerk at the ACO) were appropriated in Administration. In FY2015/16, these costs are appropriated to benefiting H&SS divisions.
- Increase of \$9,000 in Fixed Assets is to replace conference room audio visual equipment.
- Decrease of \$668,916 in Other Financing Uses is due to a decrease in debt service costs of \$673,069. The debt service fund budget is administered by the ACO and is based on the loan amortization schedule provided by the Trustee. Payments may vary from year to year based on the maturity of the bonds issued.

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- Increase of \$303,217 in offsetting Intrafund Transfers primarily due to the increase of claimable salaries and benefits costs offset by decreases in services and supplies and charges for services. Administration costs that are claimable to Federal and State programs are transferred to program division budgets via the intra fund transfer account.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2014/15 Budget are provided below:

Transfer of a 1.0 FTE Accountant (Senior) and 1.0 FTE Accounting Clerk II from Family Health Services Division to Administration Division due to program needs and operational issues.

Transfer of a 1.0 FTE Social Services Manager from Administration Division to Child Welfare Services due to program needs and operational issues.

The following reclassifications were made based on Human Resources assessment and determination and were approved as a part of the FY2014/15 Third Quarter Report:

- Reclassification of 3.0 FTE Policy & Financial Analysts to 3.0 FTE Policy & Financial Managers

The FY2015/16 Recommended Budget includes the addition of the following 5.0 FTE positions:

- 1.0 FTE Accountant to provide fiscal support to the Contracts Unit
- 1.0 FTE Accountant to provide fiscal support to the Health Services Policy Fiscal Management (PFM) Team
- 2.0 FTE Staff Analyst to assist with complex financial analysis in the Social Services and Behavioral Health Services PFM Teams
- 1.0 FTE Research Analyst (TBD) to develop, plan, and manage business intelligence and analytics functions to enable the department to examine and transform the vast data captured in the many H&SS case management and financial systems into valuable information to support agency-wide strategic decision making and predictive and confirmation purposes.

PENDING ISSUES AND POLICY CONSIDERATIONS

In FY2015/16 the pending issues and policy considerations include:

California is the leader in implementing the Affordable Care Act, operating the nation's largest Medicaid program, and seeks to partner with the Centers for Medicare & Medicaid Services to ensure continuous strides toward expanding access, improving quality of outcomes, and controlling the cost of care. The focus of the State of California Medi-Cal 2020 1115 Waiver Renewal submitted in FY2014/15 to Federal Government is to build on a County coordinated model and shared accountability approaches for managed care plans required to work with County Mental Health plans to support Medi-Cal members with identified mental health issues; and provide an integrated model to encourage physical health and mental health plans to implement an integrated care model at the provider level for patients with serious mental health and other chronic health conditions.

The Office of Management and Budget (OMB) Super Circular stipulates new rules governing expenditures, administration, and audit of Federal grants and funds, that became effective on December 26, 2014. The Super Circular requirements apply to Federal agencies that make Federal awards to non-federal entities, non-federal entities that receive federal grant funds including direct recipient of funds or a sub-recipient receiving federal funds through a sub-recipient award.

The significant changes in requirements include a focus on performance over compliance for accountability, efficient use of information technology and shared services, providing consistent and transparent treatment of costs, limiting allowable costs to make best use of federal resources, strengthening oversight; targeting audit requirements on risk of waste, fraud, payment errors, and abuse. H&SS annual federal awards and expenditures total approximately \$70 million and these changes in procedures significantly impact the department, including the program and fiscal oversight of sub-recipients.

DIVISION PURPOSE

The Behavioral Health Division includes Adult Mental Health, Children's Mental Health, Mental Health Managed Care, and Substance Abuse. Integration of these programs allows the Division to efficiently monitor and manage programs and expenses as a comprehensive behavioral health system of care.

FUNCTION AND RESPONSIBILITIES

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.

The Mental Health Division 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 provide treatment, rehabilitation and community-support services to seriously emotionally disturbed children and seriously mentally ill adults through County staff and contract providers.
- Mental Health case management services that promote self-reliance and safeguard the physical, emotional, mental and social well-being of Solano residents who are placed in board-and-care homes and other types of housing with assistive case management to attain self-sufficiency.
- Mental Health services for recently realigned State parolees, now the responsibility of counties under AB 109.
- Quality assurance, utilization management, authorization and denial of services, maintenance of financial records, policies and procedures, and assuring cultural competency in the provision of services, among others.
- Mental Health Services Act services in the areas of prevention and early intervention, comprehensive supports and services, information technology and capital housing projects.

Substance Abuse Services provide prevention, intervention, treatment and recovery services for alcoholism and other drug addictions. Substance Abuse serves youth, adults, probationers, and parolees by providing the following services:

- Assessment and case management for clients with alcohol and drug abuse treatment needs and authorization of appropriate services for delivery by County staff and/or contracted providers.
- 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.
- Driving under the Influence (DUI) programs to support positive lifestyle changes, and reduce or eliminate the use of alcohol and/or drugs.
- Federally mandated HIV and AIDS testing and education in coordination with Public Health.
- Substance Abuse Programs to serve realign State parolees, now the responsibility of counties under AB 109.
- Federally mandated Primary Prevention Services to intercede the onset of youthful alcohol and other drug use.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS**Solano County Mental Health**

- County General Fund contribution for the Mental Health Division was reduced by \$2.7 million in FY2010/11 by transferring the Mental Health adult outpatient clients to the Federally Qualified Health Centers (FQHC) in the Health Services Division. In January 2014, the Affordable Care Act expanded mental health and substance abuse disorder services to individuals formerly ineligible for Medi-Cal. The benefits are available to individuals with mild to moderate conditions as well as those who meet Seriously Mentally Ill (SMI) criteria. The expansion of services initiated statewide discussions on whether (FQHC)

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centers could continue to provide services to individuals under the SMI criteria. In July 2014, the Federal Health Resources and Services Administration (HRSA) conducted an on-site review of the FQHC clinics in Solano County. At that time, the County was advised that it should not be providing psychiatric services as primary care service under its current FQHC model. In August 2014, the Integrated Care Clinics (ICCs, formerly Mental Health adult outpatient clinics) were transferred back to the Mental Health Division. This transfer changed the claiming of psychiatric services from a Prospective Payment System (PPS)/encounter rate model into a cost per unit/fee-for-service (by minute) payment structure under the Short Doyle model. Reimbursement under the PPS/encounter rate FQHC model was at 100% while Federal reimbursement under the Short Doyle model is at 50% with the County providing the 50% local match. The Department complied with the HRSA recommendation to restructure its program and transfer psychiatric services from a FQHC model to Short Doyle which created a \$6.9 million revenue shortfall for Behavioral Health at a time when the number of clients is increasing. The Department is working to explore other options, but at this time it the Recommended Budget for the ICCs includes \$1.5 million of Intergovernmental Transfer Funds (IGT), \$2.7 million in Short Doyle Medi-Cal revenues, and to balance the program budget \$2.7 million of additional County General Fund to support the mandated services.

- Mental Health adopted a 3 Year Mental Health Services Act (MHSA) Plan which resulted in new program opportunities, in the following areas: homeless outreach and linkage, increased access to the underserved and early evidence-based intervention with individuals experiencing a first-time psychotic break. Funding will now be allocated to these and other programs as a result of the community planning process.
- Developed an Inter-Governmental Transfer (IGT) strategic plan which resulted in the following new programs: a mental health probation team to provide aftercare to youth released from the Juvenile Detention Facility, Katie A. staffing, increased bilingual access, and a jail liaison to actively coordinate discharges from jail and provide programming outside the jail for clients issued a split sentence by the court, among others.
- The Department has been working with the Solano Coalition on Better Health and with its numerous health care partners on how best to develop a system of care for those with behavioral health needs. This includes working with Partnership Health Plan (PHP), Beacon, the three hospitals in Solano, as well as our service providers.
- Future aspects of Behavioral Health may be dependent upon a regional model of services. There have been initial discussions here in the Bay Area and North Bay of working on regional networks of care. State and Federal negotiations on the FY2015/16 proposed 1115 Whole Person Care Waiver and the Drug Medi-Cal waiver may provide some positive movements toward developing services in a more coordinated way between primary health care and behavioral health.

Solano County Substance Abuse

- The program expanded provider services to meet the demands of the newly eligible Medi-Cal expansion population (up to 138% of Federal Poverty Level).
- The division engaged in a cross-program integration plan that resulted in the implementation of integrated substance abuse programming (Screening, Brief Intervention, and Referral to Treatment) in County medical and psychiatric clinics so that brief substance abuse services are being made available to clients in the primary care clinic.
- Staff increased oversight and monitoring of substance abuse contractors to ensure compliance with increasingly complex Federal and State regulations.
- Staff partnered with local judges to expand the Substance Abuse Court to Vallejo based on Solano County Court's successful grant application.

WORKLOAD INDICATORS

During the period of the 2014 calendar year:

- The Mental Health Division provided mental health services to approximately 4,516 seriously mentally ill adults and seriously emotionally disturbed children for a total of 13,062 appointments. The services were provided through County Programs, Contract Programs and the Managed Care Provider Network.

- The Mental Health Division provided case management services to 1,343 clients, across diverse populations, such as seriously ill adults, older adults, adults involved with the justice system, and children, youth and transitional age youth with serious emotional challenges.
- The Mental Health Division provided Psychiatric hospitalizations for 841 individuals for a total of 8,215 bed days during this period.
- Contracted outpatient Substance Abuse programs are serving an average of 103 clients per month, and residential programs are averaging 58 clients per month (including detox).
- Improved wait times for general substance abuse clients, there is no longer a wait for Substance Abuse outpatient treatment and reduced residential treatment wait from 60 days to 51 days compared to the previous year.

DIVISION BUDGET SUMMARY

The Recommended Budget represents an increase in revenues of \$13,649,100 or 21.3% but requires a draw from Intergovernmental Transfers (IGT) restricted fund balance of \$4,193,793 to support an overall increase of \$12,003,061 or 17.2% in appropriations when compared to the FY2014/15 Adopted Budget. The General Fund Contribution of \$6,453,674 is an increase of \$3,473,344 to offset increased costs in Mental Health primarily due to the transition of the Integrated Care Clinics (ICCs) to Behavioral Health and increased placement costs, and (reduced reimbursement/cost recovery) for severely mentally ill adults placed in Institutes for Mental Diseases (IMD) facilities and State hospitals.

Primary Funding Sources

The primary funding sources for Behavioral Health are Federal, State, and Realignment revenues. In 2011, the State General Funds for children's mental health services, substance abuse treatment services, drug court activities, and substance abuse Drug Medi-Cal (DMC) were realigned to the local level. This realignment, coupled with the 1991 realignment, makes realignment funding for behavioral health services the principal funding source for core services and the primary non-federal match for Medi-Cal. The passage of Proposition 30 has ensured that these funds are constitutionally protected and will continue to be available to fund mental health and substance abuse services; however, funding is subject to fluctuations in State sales tax. Uncertainties also exist regarding the growth in sales tax revenues keeping pace with program growth. Especially, for EPSDT and DMC services as new responsibilities such as Katie A. services and the expanded Drug Medi-Cal Benefit were implemented after 2011 Realignment. Additionally, the State has not set a permanent base or distribution methodology for 2011 Realignment. Without a permanent base and growth distribution among counties, 2011 Realignment projections are difficult and the reality of what funds Solano County will actually receive are in question.

State funding from the Mental Health Services Act (MHSA-Proposition 63) and Federal revenues provide the primary funding source for behavioral health services. MHSA funding provides cost reimbursement for mental health community support services, primary early intervention, mental health workforce education, and information technology needs. Federal revenue provides 50% reimbursement for adult and children's mental health services as Medi-Cal and substance abuse DMC recipients. Billing for mental health services is performed on a cost per unit basis. As a result of AB1297 becoming effective July 1, 2012, the rate of claiming for mental health services has been increased making reimbursement closer to the actual cost. While the Federal reimbursement for services remains at 50%, AB1297 allows counties to bill the Federal government for the eligible actual cost of services rather than at a capped State Maximum Allowance (SMA) rate. Delays in implementing AB1297 remain and the State is currently paying counties an interim rate based on FY2013/14 costs. The Department anticipates that the State's interim rate for FY2015/16 will be based on the interim rate for FY2014/15 with an inflation factor and has increased its revenue projection to reflect the additional Federal revenue.

Federal revenues for Substance Abuse services primarily changed due to the realignment of Drug Medi-Cal Services to the local level in 2011. As part of 2011 Realignment, counties are now responsible for the 50% non-federal share of all Drug Medi-Cal services, including Narcotic Replacement Therapy, sometimes known as methadone treatment. Previously, the state managed the Drug Medi-Cal contracts for Narcotic Replacement Therapy treatment services and bore the fiscal risk of those services. With 2011 realignment, the State continues to manage the contracts but the fiscal risk has shifted to counties. While funding has been adequate to date, concerns remain among counties that a lack of ability to engage in utilization control at the local level with Narcotic Replacement Therapy treatment services could result in uncontrolled growth in these contracts. The Department also receives a federal Substance Abuse Prevention and Treatment (SAPT) block grant, which is a primary funding

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source for residential and treatment services that are not Medi-Cal funded. With the implementation of the Affordable Care Act (ACA), some of the services previously funded with SAPT could be reimbursed by Medi-Cal so speculation exists that in the future the SAPT funds could be 'repurposed' with new requirements and service goals at the federal level. Additionally, the State is embarking on an 1115 Drug Medi-Cal Waiver which would allow for Federal reimbursement for some services currently being funded with SAPT. As implementation of the waiver is currently in discussion phases at the State level, many fiscal concerns remain unanswered, including how counties will be reimbursed under the waiver and how the structure impacts 2011 Realignment and the SAPT block grant.

Primary Cost

Primary costs for Behavioral Health are: \$26,468,670 for salaries and employee benefits; \$5,408,363 for services and supplies; \$46,560,777 for other charges; \$1,098,747 for other financing uses; and \$2,402,700 for intra-fund transfers.

The recommended appropriations for Behavioral Health include \$70,567,333 for Mental Health (BU 7700), \$4,538,557 for Intergovernmental Transfers Projects (BU 7598) and \$6,833,367 for Substance Abuse (BU 7560).

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FINES, FORFEITURES, & PENALTY	69,354	77,108	35,771	(41,337)	(53.6%)
REVENUE FROM USE OF MONEY/PROP	3,197	1,605	1,605	0	0.0%
INTERGOVERNMENTAL REV STATE	35,772,084	40,474,923	48,048,614	7,573,691	18.7%
INTERGOVERNMENTAL REV FEDERAL	3,027,880	3,243,465	3,623,104	379,639	11.7%
CHARGES FOR SERVICES	548,102	593,776	488,212	(105,564)	(17.8%)
MISC REVENUE	77,262	12,915	0	(12,915)	(100.0%)
OTHER FINANCING SOURCES	13,111,546	16,712,242	19,094,484	2,382,242	14.3%
GENERAL FUND CONTRIBUTION	2,820,165	2,980,330	6,453,674	3,473,344	116.5%
TOTAL REVENUES	55,429,589	64,096,364	77,745,464	13,649,100	21.3%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	16,855,751	20,431,823	26,468,670	6,036,847	29.5%
SERVICES AND SUPPLIES	3,253,509	4,237,127	5,408,363	1,171,236	27.6%
OTHER CHARGES	32,741,425	40,097,939	46,560,777	6,462,838	16.1%
F/A EQUIPMENT	0	15,000	0	(15,000)	(100.0%)
F/A - INTANGIBLES	1,045,642	0	0	0	0.0%
OTHER FINANCING USES	827,225	972,134	1,098,747	126,613	13.0%
INTRA-FUND TRANSFERS	3,913,423	4,182,173	2,402,700	(1,779,473)	(42.5%)
TOTAL APPROPRIATIONS	58,636,975	69,936,196	81,939,257	12,003,061	17.2%
NET CHANGE	3,207,386	5,839,832	4,193,793	(1,646,039)	(28.2%)
STAFFING					
BEHAVIORIAL HEALTH	165.50	182.00	212.70	30.70	16.9%
TOTAL STAFFING	165.50	182.00	212.70	30.70	16.9%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2015/16 Recommended Budget projects a \$13,649,100 net increase in revenues primarily due to the following:

- Federal reimbursements increasing for mental health services primarily due to the transition of the ICCs to Behavioral Health, reimbursement for Medi-Cal patients in the Psychiatric Health Facility (PHF), an increase in the Short Doyle interim rate, and anticipated reimbursement for newly eligible Medi-Cal clients. An increase in federal reimbursement for administrative costs is also budgeted due to an adjustment in the distribution of administrative costs within Mental Health which is allowing more administrative costs to be claimed. Substance Abuse Prevention and Treatment (SAPT) block grant also increased due to a higher allocation from the State.

Summary of Division Budget

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- Increase in 1991 Realignment due to a new base established and anticipated growth. 2011 Behavioral Health Realignment also increased due to estimated growth. To date, a permanent base for 2011 Behavioral Health Realignment and distributions for growth among the counties have not been established. As growth impacts the base amount, until a permanent base and growth distribution are established, counties can only make a best guess estimate on future projections for 2011 Realignment. As distribution of growth for FY2013/14 will not be released until May 2015, the Requested Budget makes assumptions on growth distribution for FY2013/14 and FY2014/15 based on the distribution used for FY2012/13.
- Increase in Intergovernmental Revenues attributed to the ICC clinics to maintain clinic operations.
- Increase in Mental Health Services Act (MHSA) to fund MHSA Community Support and Services program expansion.
- Decrease in AB109 2011 Revenues primarily due to a reduction in employment services contracts. These contracts were transitioned to Probation in FY2014/15.
- Increase in the County General Fund contribution of \$3,473,344 due to the transition of the Integrated Care Clinics (ICCs) to Behavioral Health and increased placement costs for severely mentally ill adults placed in Institutes for Mental Diseases (IMD) facilities and State hospitals.

The FY2014/15 Recommended Budget projects a \$12,003,061 increase in appropriations primarily due to the following:

- Increases in Salary and Benefits primarily due to the transfer of 25.7 FTE from Health Services to Behavioral Health during FY2014/15 and the addition of 3 FTE for FY2015/16 and increased operating costs associated with the transfer of the ICCs to Behavioral Health.
- Increases in anticipated bed usage for State Hospitals and Institutions for Mental Diseases (IMDs), Augmented Board and Care (ABC) costs, and locum tenens costs for contract psychiatrists for the ICCs. Also contributing to increases in contracted direct services is an anticipated increase for MHSA funded projects. These increases were offset with decreases in substance abuse treatment contracts for services that are being redesigned internally, IGT funded contracts whose funding has been redirected and/or expended, and children's contracts due to fewer high cost placements anticipated and less utilization of a locum tenens for child psychiatry.
- Increases in Countywide Overhead, Department of Information and Technology (DOIT) and Departmental Overhead charges.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2014/15 Budget are provided below:

The Midyear Report approved by the Board February 10, 2015 included the following 2.0 FTE reclassifications:

- Reclassify 1.0 FTE Nurse Practitioner to Nurse Practitioner/Physician Assistant
- Reclassify 1.0 FTE Office Assistant III to Office Assistant II

Transfer of 1.0 FTE Mental Health Clinician (Lic) from Health Services Division to Mental Health Services (IGT)

Transfer of 1.0 FTE Office Assistant II from Public Health Services Division to Mental Health Services

Transfer of the following 25.7 FTE positions assigned to the Integrated Care Clinic (ICC) in Family Health Services Federally Qualified Health Center (FQHC) to the Mental Health Division due to Federal guidelines:

- 4.8 FTE Medical Assistants
- 1.0 FTE Mental Health Clinical Supervisor
- 7.0 FTE Mental Health Clinicians (Lic)
- 2.0 FTE Office Assistant II
- 2.0 FTE Office Assistant III
- 1.0 FTE Office Coordinator

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- 5.9 FTE Psychiatrist (Board Cert)
- 1.0 FTE Psychiatrist Supervisor
- 1.0 FTE Public Health Nurse Manager

A Board of Supervisors Resolution approved at Third Quarter extended 1.0 FTE Mental Health Specialist II limited term position to June 30, 2016.

The FY2015/16 Recommended Budget includes the addition of the following 4.0 FTE positions:

- 3.0 FTE Mental Health Clinicians (Lic) in Substance Abuse to support barriers to employment in the CalWORKs Program
- 1.0 FTE Mental Health Clinicians (Lic) to support low income and homeless population afflicted with mental illness

The FY2015/16 Recommended Budget includes the reclassification of the following 2.0 FTE positions:

- 2.0 FTE – Clinical Services Associates to Mental Health Clinicians (Lic)

The FY2015/16 Recommended Budget includes the extension of the following 11.5 FTE Limited Term (LT) positions to October 24, 2016:

- 6.0 FTE Mental Health Clinician (Lic.) LT
- 1.0 FTE Mental Health Spec II LT
- 0.5 FTE Office Assistant II LT
- 1.0 FTE Patient Benefits Specialist LT
- 1.5 FTE Mental Health Clinical Supervisor LT
- 1.0 FTE Project Manager LT
- 0.5 FTE Psychiatrist LT

PENDING ISSUES AND POLICY CONSIDERATIONS

The Mental Health Division continues to utilize Intergovernmental Transfer funds (IGT) from the restricted reserve for Behavioral Health programs; however, the fund is diminishing. The division is seeking to maintain a certain amount of IGT revenue through close collaboration with the Health Services Division and Partnership Health Plan.

Increased utilization of placements in IMDs and State Hospitals remain a concern. These costs are primarily funded with 1991 Realignment and growth in 1991 Realignment Funds. Expenditures for Augmented Board and Care facilities are also trending up and compete with other placement costs for 1991 Realignment Funds. As growth in 1991 Realignment currently is not keeping pace with increases in placement costs, County General Fund support is needed for these long term costs. The Department is committed to continue its efforts to implement community programs to strengthen the system of care with the goal of reducing hospitalizations and placements, as well as the length of stay at each of these types of facility. Recent developments in State law (AB109, Prop 47 among others) have increased the entry into the community of individuals who have extensive criminal records, require a great deal of support, and require extensive services.

Expenditures for adult inpatient stays have trended upward the past couple of years, in part because of placement challenges in Medi-Cal billable facilities. If the facility cannot bill for the Medi-Cal placement, then the County is responsible for 100% of the cost. In April 2014, the Department contracted with a community provider for a Psychiatric Health Facility (PHF) in Vallejo to maximize reimbursement under Medi-Cal Expansion. Ten of the sixteen beds were contracted to reduce out-of-county placements in non-Medi-Cal reimbursable beds. The increased availability of beds in a Medi-Cal billable PHF should assist in reducing hospital costs; however, net savings may be reduced because of the increased flow of individuals from the justice system.

The County Administrator and the Health and Human Services Director have been involved in working with administrators of the County Medical Services Program (CMSP) to determine if funds from this program could be realigned to counties to address the significant increase in cost of IMDs and related placements. Due to ACA with expanded Medi-Cal coverage, the number of

individuals receiving CMSP benefits has drastically decreased the use of some of these funds which could offset County cost for non-reimbursable IMD-related placements by the Federal and State government.

The Department has been working on a gap analysis for mental health services, and has identified a need to focus its resources on assisting clients with stabilization and reentry into the community to achieve its clinical and budgetary goals. Contract expansions with existing providers to address these two areas are in process. By improving in these two service areas, it is expected that high-cost placements and hospitalizations will be reduced.

The State is submitting for a Federal 1115 Waiver for enhanced Substance Use Disorder and requesting that counties consider whether or not they wish to 'Opt in'. Opting in would result in a broader array of services being offered but could also pose additional financial risk to the Department. Under the waiver, counties choosing to opt in will become responsible for Narcotic Treatment Program (NTP) contracts and will be obligated to expand those services as necessary to comply with Federal law, in addition to sharing in the increased costs implied in the enhanced continuum of SUD services set forth in the waiver. A separate recommendation will be brought forward in FY2015/16.

Due to Electronic Health Record (EHR) Implementation issues, revenue projections for the Recommended Budget are based on assumptions using service data. FY2015/16 Short Doyle revenue projection is based on six months of EHR service data representing claims that are in the process of being billed, reduced by a denial rate based on a Medi-Cal percentage from the existing EHR system known as Avatar.

Reimbursement of costs through AB1297 is still uncertain and the impact of this change on Medi-Cal revenues is still unknown. While AB1297 eliminated the State Maximum Allowable Rate (SMA) beginning July 1, 2012, the State has not fully implemented the legislation and the amount and timing of receipt of this revenue continues to be unknown. As final cost settlements typically happen five years after the close of a fiscal year, any changes to the process during the time period can impact any final adjustments in the cost report which could in turn affect cost settlement amounts.

2011 Realignment and the passage of Proposition 30 have stabilized funding for Mental Health and Substance Abuse services; however, concerns continue about whether the funding will keep pace with program growth. Revenues expected to be received for 2011 Realignment are still unknown as base and growth distributions for 2011 Behavioral Health Realignment have not been finalized.

Concerns with 2011 Realignment growth keeping pace with growth in ESPDT services also remain as this program relies on 2011 Realignment to provide the 50% match for services. The Department has expanded services for children in foster care as a result of the Katie A Settlement; however there is uncertainty about whether the State will agree to share in these new costs.

Prior to the implementation of the ACA, SAPT was used to fund services for individuals not receiving Medi-Cal. Many of those individuals should be eligible for Medi-Cal and their services federally funded. Questions remain about whether the funding will be repurposed, reduced or will remain at the current levels. While more individuals are eligible for Drug Medi-Cal (DMC) services, inadequate DMC rates and decertification of DMC providers are challenging the system of care and placing more demands on available SAPT funding and 2011 Realignment, along with enrollment behavior. These issues have been raised with DHCS as they run contrary to the stated intention of the ACA which is to expand substance abuse services in accordance with its new requirements.

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DIVISION PURPOSE

The mission of Solano Public Health is to optimize the health of the community through individual and population-based services which promote health and safety through prevention and treatment of disease and injury.

Family Health Services clinics provide timely, high quality, culturally and linguistically appropriate, comprehensive healthcare to the safety-net population, including uninsured and underinsured residents of Solano County.

FUNCTION AND RESPONSIBILITIES

The H&SS Health Services Division is comprised of two functional areas: Public Health and Family Health Services.

Solano Public Health is responsible for monitoring, understanding, and helping to address health concerns facing the community. Data are used to analyze public health issues and are communicated to the public to provide residents with sufficient information to make healthy choices. Core functions include protecting the community from health problems and health hazards as well as educating healthcare providers on new and emerging health issues. Public Health is in the forefront of fostering and participating in community coalitions and professional networks, developing public health policies, and enforcing public health laws and regulations. Public Health also assists with emergency planning and response activities.

Family Health Services operates nine Federally Qualified Health Center (FQHC) Clinics that provide timely, high quality, culturally and linguistically appropriate comprehensive healthcare to Medi-Cal recipients and to uninsured and underinsured residents of Solano County, including the homeless. Family Health Services 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.

Key functional areas in the Division include communicable disease control; emergency services; health promotion and community wellness; public health laboratory; maternal, child & adolescent health; nutrition services; and healthcare services, including dental, primary care, and behavioral health.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- The Napa-Solano-Yolo-Marin County Public Health Laboratory expanded its service area to include Marin County in July 2013. This expansion has increased testing by 70%, from approximately 11,000 to nearly 19,000 tests per year.
- The Laboratory Information Management System needs to be upgraded to meet the needs of the Public Health Laboratory. The Public Health Laboratory is actively working to address this issue.
- The Napa-Solano-Yolo-Marin County Public Health Laboratory was awarded \$244,700 in competitive federal grants, consisting of \$93,700 to improve rapid molecular testing capabilities and \$151,000 to train Public Health Microbiologists. In partnership with the California Department of Public Health, the Public Health Laboratory used a portion of the \$151,000 training grant to develop and coordinate an innovative broadcast training to help address serious workforce shortages in public health laboratories throughout California.
- Solano Public Health helped develop and has implemented a population and public health hub with electronic capacity to receive public health data. In partnership with local hospitals and healthcare providers, Solano Public Health is developing an electronic surveillance system to track and monitor public health information to improve detection and response to disease outbreaks and other health issues.
- Through collaboration with partner agencies, Maternal, Child and Adolescent Health continued to help maintain high rates of entry into early prenatal care (first trimester care). Entry into early prenatal care in Solano County increased from 74.4% in 2004 to 78.8% in 2014, exceeding the Healthy People 2020 goal of 77.6%.
- Maternal, Child and Adolescent Health saw continued reductions in numbers of teen births. For the latest year data are available, the teen birth rate in Solano County is 24.2 per 1,000 females.
- The Maternal, Child & Adolescent Health (MCAH) Bureau completed the MCAH Five Year Needs Assessment 2015-2019. The assessment looks at important maternal, child and adolescent health indicators for the community and our progress in impacting those areas over time.

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- Exclusive breastfeeding rates in the Women, Infants and Children Program have improved by more than threefold from 15.9% in 2010 to 56% in 2014.
 - The Nutrition Education and Obesity Prevention Program of the Nutrition Services Bureau and the Health Promotion and Community Wellness Bureau collaborated successfully with the Vallejo Unified School District and Kaiser Permanente to implement a program at 10 Vallejo schools to improve access to drinking water using hydration stations and education activities.
 - Family Health Services (FHS) established a county-wide call center for its primary care services. This allows FHS clients to call a single number and receive current, real time information and schedule new and follow-up appointments.
 - Family Health Services continues to explore new avenues to recruit primary care providers, both physicians and mid-level practitioners. Some progress has been made in the Nurse Practitioner and Physician Assistant arena.
 - Family Health Services launched its Mobile Primary Care Van, which together with the Dental Van regularly visit Rio Vista and homeless shelters, across the county to provide primary care, dental, and behavioral health services.
 - With the Integrated Care Clinics moving from Solano Public Health to Solano Mental Health, the electronic medical records (e.g. Nextgen and Avatar) are not on the same system, hampering behavioral health and primary care integration efforts. Solano Public Health and Mental Health are working with the Department of Information Technology to develop a health information exchange for their electronic medical records.
 - Solano Public Health and Solano Mental Health worked on an 18-month project with California Institute for Behavioral Health and Solutions to further integrate behavioral health and primary care services for the severely, persistently mentally ill population.
 - The Communicable Disease Program addressed a number of disease outbreaks and threats including Ebola virus, West Nile virus, Enterovirus D68, measles and pertussis.
 - The Solano Emergency Medical Services Agency implemented regulations for critical care transport.
 - In early 2015, the Emergency Services Bureau hosted a team from the California Department of Public Health's Emergency Preparedness Office on a site visit at which Alternate Care Site equipment was demonstrated, plans were reviewed, and preparedness efforts were discussed.
 - Health Promotion & Community Wellness secured \$1.7 million annually from Centers for Disease Control and Prevention chronic disease funds until 2017. These funds will advance chronic disease prevention efforts, tobacco-free environments, healthy food and retail, and clinical-community linkages.
 - Solano Public Health embarked on a Community Health Assessment through the Mobilizing for Action through Planning and Partnerships (MAPP) process. The Community Health Assessment, Community Health Improvement Plan and an updated Strategic Plan are prerequisites to apply for Public Health Accreditation through the Public Health Advisory Board (PHAB).

WORKLOAD INDICATORS

During the period of the 2014 calendar year:

- More than 3,300 communicable diseases were reported, compared to 3,100 in 2013,
- The Emergency Medical Services Agency certified 295 Emergency Medical Technicians and 145 paramedics.
- The Emergency Preparedness and Response Program conducted two tabletop exercises, an Emergency Medical Response Summit, and a Statewide Medical and Health full-scale exercise.
- The Immunization Program held 15 immunization clinics, providing 1,671 influenza vaccines to the general community.
- The Public Health Laboratory performed 18,713 tests, including 6,888 tests for communicable disease control. The most-performed non-communicable disease test was childhood blood lead screening, with a total of 3,131 tests. More than 1 out of every 100 children screened was found to have unsafe levels of blood lead.

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- The Women, Infants, & Children Program served a monthly average of 10,432 pregnant women, postpartum women, and children less than 5 years of age; this is compared to 10,896 in 2013 and 10,824 in 2012.
- The Nutrition Education and Obesity Prevention Program reached 2,500 people through direct nutrition education and 8,000 people through classes and events.
- Maternal, Child & Adolescent Health programs conducted 4,412 home visits to high-risk families by public health nurses, social workers, and community health workers.
- The California Children's Services Program provided services to 1,110 children with severe and disabling medical problems.
- The California Health and Disability Prevention Program linked 1,733 children to rapid health insurance through the Gateway Program.
- 102 Solano children with elevated blood lead levels received services from the Public Health Nursing Program and Environmental Health.
- 12,131 students at 43 school sites participated in Safe Routes to School events.
- Family Health Services provided primary care and dental health services to more than 23,000 clients.
- Family Health Services increased its Partnership HealthPlan of California capitation from 14,357 clients in 2013 to 23,206 clients in 2014, a 62% increase.
- The Vital Statistics Unit served about 12,000 customers in 2014, issuing more than 20,000 birth certificates, death certificates, and burial permits.

DIVISION BUDGET SUMMARY

The Recommended Budget represents an overall increase of \$2,620,461 or 4.4% in revenues and \$2,679,423 or 4.5% appropriations when compared to the FY2014/15 Adopted Budget. There was no change in the Net County Cost. The Health Services budget is comprised of three main program areas: Public Health, Family Health Services, and Medical Services.

Primary Funding Sources

The primary funding source for Family Health Services (FHS) is Federally Qualified Health Center (FQHC) funds, which is based on an encounter rate for each site. An interim encounter rate is established during a rate setting year. The Department of Health Care Services (DHCS) conducts an audit of the interim rate at a much later date to set a permanent rate. In FY2011/12, DHCS set the permanent rates for the two original FQHC sites. FY2012/13 was a rate setting year for the Mobile Dental Van; FY2013/14 was a rate setting year for the Vacaville site.

Other important funding sources for FHS include the Healthcare for the Homeless Grant, the Ryan White (HIV/AIDS) Grant, and the HIV Opt-Out Grant.

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

Primary Operating Expenses

Primary costs for Health Services are \$32,056,476 for salaries and employee benefits, \$8,812,219 for services and supplies, \$16,755,824 for other charges which include \$6,133,722 in contracted direct services; \$286,406 in Fixed Assets; \$1,205,132 for other financing uses, and \$3,331,678 for intra-fund transfers.

Summary of Division Budget

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The primary programs in Health Services are Public Health (BU 7800) with appropriations of \$27,098,532; Medical Services (BU 7588) with appropriations of \$7,953,171 and Family Health Services (BU 7580) with appropriations of \$27,401,036.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
LICENSES, PERMITS & FRANCHISE	17,821	14,740	17,750	3,010	20.4%
FINES, FORFEITURES, & PENALTY	282,653	424,380	295,000	(129,380)	(30.5%)
REVENUE FROM USE OF MONEY/PROP	5,795	4,500	5,000	500	11.1%
INTERGOVERNMENTAL REV STATE	18,331,990	17,389,024	19,236,759	1,847,735	10.6%
INTERGOVERNMENTAL REV FEDERAL	9,610,889	10,351,432	12,021,769	1,670,337	16.1%
INTERGOVERNMENTAL REV OTHER	1,314,786	1,274,829	910,444	(364,385)	(28.6%)
CHARGES FOR SERVICES	17,098,361	25,902,224	25,343,789	(558,435)	(2.2%)
MISC REVENUE	1,376,655	1,116,800	1,279,600	162,800	14.6%
OTHER FINANCING SOURCES	1,045,325	1,094,452	1,082,731	(11,721)	(1.1%)
GENERAL FUND CONTRIBUTION	1,531,706	2,259,897	2,259,897	0	0.0%
TOTAL REVENUES	50,615,981	59,832,278	62,452,739	2,620,461	4.4%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	28,757,792	33,167,849	32,056,476	(1,111,373)	(3.4%)
SERVICES AND SUPPLIES	5,879,015	8,355,680	8,812,219	456,539	5.5%
OTHER CHARGES	13,410,439	15,356,659	16,755,824	1,399,165	9.1%
F/A BLDGS AND IMPRMTS	0	0	5,000	5,000	0.0%
F/A EQUIPMENT	191,548	0	286,406	286,406	0.0%
OTHER FINANCING USES	1,239,660	1,436,607	1,205,132	(231,475)	(16.1%)
INTRA-FUND TRANSFERS	1,118,944	1,456,517	3,331,678	1,875,161	128.7%
TOTAL APPROPRIATIONS	50,597,398	59,773,312	62,452,735	2,679,423	4.5%
NET CHANGE	(18,583)	(58,966)	(4)	58,962	(100.0%)
STAFFING					
HEALTH SERVICES	318.90	307.70	285.70	(22.00)	(7.1%)
TOTAL STAFFING	318.90	307.70	285.70	(22.00)	(7.1%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant changes in revenue include:

The FY2015/16 Requested Budget for Health Services projects a \$2,620,461 net increase in Revenues compared to the FY2014/15 Adopted Budget. The County Contribution remains the same. The projected increase in revenue results primarily from increases in Realignment and various Public Health and Family Health Services grants and allocations as follows:

- Increase of \$1,384,267 in the PH Realignment;
- Increase of \$478,258 in Communities in Action Lifetime of Wellness State funded grant to prevent obesity, diabetes, heart disease and stroke;
- Increase of \$1,231,198 in the Partners for Healthy Solano Centers for Disease Control award;
- Decrease of \$481,028 in FQHC funding due to the transition of the Integrated Care Clinics (ICCs) from Family Health Services to Behavioral Health and claiming Short Doyle rather than FQHC.

Significant changes in appropriations include:

The FY2015/16 Requested Budget for Health Services projects a \$2,679,423 increase in expenditures compared to the FY2014/15 Adopted Budget. The projected increase results from the net decrease in Salaries and Employee Benefits and Other Financing Uses with increases in all other expenditure categories as follows:

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- Net decrease of \$1,111,373 in Salaries and Employee Benefits primarily due to the transition of the Integrated Care Clinics (ICCs) from Family Health Services to Behavioral Health.
- Net increase of \$456,539 in Services and Supplies primarily due to an increase of \$309,979 for the purchase of refresh computers, \$69,070 for the Health Information Exchange, and \$69,019 for consultants to assist in the evaluation of the new Health Education grants.
- Increase of \$1,399,165 in Other Charges primarily due to an increase of \$149,389 in countywide overhead, an increase of \$777,825 in contracted direct services for Health Education and Health Access contracts funded by the new grants, \$217,455 increase in small projects due to a dental request to update the electrical panel and concrete in order to install a new compressor, and \$327,314 increase in inter-fund services for increased costs for security, custodial and an additional building trade mechanic partially offset by a \$59,138 decrease in inter-fund services for the rent of the Portuguese Hall in Vallejo.
- Increase of \$286,406 in Fixed Assets for the following equipment: \$23,120 for Qmatic Support, \$33,000 for Phosphorplate x-ray and plate, \$65,612 for Dental Chairs, \$13,054 for a compressor and pump, \$80,000 for two (2) Digital Panographic X-ray Machines, \$26,500 for Qmatic system and conference room equipment, \$14,500 for a FacsPresto rapid CD4 analyzer, \$30,620 for Qmatic system and lobby furniture.
- Decrease of \$231,475 in Other Financing Uses due to a decrease in Debt Service and POB costs.
- Increase of \$1,875,161 in Intrafund Transfers due primarily to a decrease of \$1,815,257 in Inter Governmental Transfers to pay for the ICCs and a decrease of \$59,789 in SAPT Prevention Contract Reimbursement.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2014/15 Budget are provided below:

A Board of Supervisors resolution was approved on December 9, 2014 to:

- Add 0.50 LT Epidemiologists
- Add 2.0 LT and .50 FTE Health Education Specialists
- Add 1.0 LT Health Services Manager
- Add 1.0 LT Project Manager
- Delete .80 FTE Health Assistant
- Delete 1.50 FTE Public Health Nurses

A Board of Supervisors resolution was approved at Midyear to:

- Transfer of 1.0 FTE Accountant (Senior) and 1.0 Accounting Clerk from Family Services Division to Administration Division
- Transfer of a 1.0 FTE Health Assistant from Family Health Services Division to Public Health Services Division
- Transfer of 1.0 FTE Mental Health Clinician (Lic) from Family Health Services Division to Inter-Transfer Division
- Transfer of 1.0 FTE Office Assistant II from Public Health Services Division to Mental Health Services

Transfer of 25.7 FTE positions assigned to the Integrated Care Clinic (ICC) in Family Health Services Federally Qualified Health Center (FQHC) to the Mental Health Division due to existing Federal guidelines:

- 4.80 FTE Medical Assistants
- 1.0 FTE Mental Health Clinical Supervisor
- 7.0 FTE Mental Health Clinicians (Lic)
- 2.0 FTE Office Assistant II
- 2.0 FTE Office Assistant III

- 1.0 FTE Office Coordinator
- 5.9 Psychiatrist (Board Cert)
- 1.0 FTE Psychiatrist Supervisor
- 1.0 FTE Public Health Nurse Manager

A Board of Supervisors Resolution approved at Third Quarter deleted 1.0 FTE Public Health Nurse Manager and added 1.0 FTE Health Services Manager position.

The FY2015/16 Recommended Budget includes the addition of the following 5.0 FTE positions:

- 1.0 FTE Courier (requesting two 0.5 FTE positions) to reduce the use of extra help and support the operations of the Public Health Lab.
- 1.0 FTE Health Education Specialist to support Solano County Emergency Services Cooperative
- 1.0 FTE Limited-Term Health Education Specialist to provide outreach and education regarding Public Health communicable disease preparedness in the community.
- 1.0 FTE Public Health Lab Assistant Director to improve operations in the Public Health Lab funded by the Joint Powers Agreement.
- 1.0 FTE Public Health Nurse to remediate backlog and provide better customer services for California Children Services

The FY2015/16 Recommended Budget includes the deletion of the following 1.0 FTE positions:

- 1.0 FTE Supervising Public Health Microbiologist in the Public Health Lab

The FY2015/16 Recommended Budget includes the reclassifications of the following 3.0 FTE positions based on Human Resources assessment and determination:

- Reclassify 1.0 FTE Office Assistant II to 1.0 FTE Medical Records Technician
- Reclassify 1.0 FTE Office Assistant III to 1.0 FTE Senior Medical Records Technician
- Reclassify 1.0 Office Assistant III to 1.0 FTE Communicable Disease Investigator

PENDING ISSUES AND POLICY CONSIDERATIONS

There are a number of significant issues and policy considerations at the State and Federal levels that may impact the Division of Health Services.

The 2010 Federal Patient Protection and Affordable Care Act (ACA) was implemented effective January 1, 2014. The ACA is helping to shift the focus of healthcare delivery to primary care and to whole person healthcare (addressing the spectrum of physical, mental and behavioral health needs). As a result of intensified competition for primary care and behavioral health providers, the already substantial shortage of these providers has been worsened throughout the nation, including in Solano County. At the same time, the number of persons with healthcare coverage through Medi-Cal and Covered California has increased significantly. This has created challenges with respect to access to healthcare for many individuals, particularly for the uninsured and those on Medi-Cal, as most providers in the county have closed to new Medi-Cal clients.

There has been a 67% increase in the number of patients assigned to the Family Health Services (FHS) Clinics by Partnership Health Plan, the County's Medi-Cal managed care provider, since implementation of the ACA. Due to the issues noted above, the FHS Clinics are experiencing a shortage of primary care providers (with a vacancy rate of about 25 to 30%). This combination has negatively impacted both client service (with extended wait times for appointments) and the financial status of the Clinics. Efforts are under way to continue improving Clinic productivity and workflow efficiency. In addition, the Department is working with the County Administrator's Office, and Human Resources to improve recruitment and retention of providers, which represents the most critical area of focus for the FHS Clinics.

The Medicare FQHC Prospective Payment System (PPS) Final Rule came out on May 2, 2014 and is required to be implemented by July 1, 2015. This rule changes the way Medicare encounters are reimbursed, and sets a national base rate

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with a small adjustment for regional variations. This rate is then compared to the actual charge per encounter and Medicare will pay 80% of the lesser of the FQHC's actual charge or the encounter rate. FHS Clinics will be required to implement the International Classification of Diseases Version 10 (ICD 10) for medical record-keeping and billing purposes by October 2015. This new version is significantly more detailed and complicated than the version currently in use. It is anticipated that implementation of Medicare PPS and ICD 10 will result in reduced productivity in the Clinics for a period of time while providers and other staff adjust to the new coding system.

In response to audit findings by the U.S. Health Resources and Services Administration (HRSA), the FHS Clinics are seeking designation as a Community Health Clinic (330e status) in addition to a Health Care for the Homeless site (330h status). This will require establishing a Community Advisory Board to oversee the Clinics.

The Division of Health Services and H&SS Administration are working with Partnership Health Plan to obtain Intergovernmental Transfer funds for Public Health programs. The specific requirements for obtaining these funds and the spending plan for any funds received are not yet clear.

The Family Health Services requested budget was developed upon the assumption that providers will meet target productivity goals and that vacant revenue generating positions will be backfilled by locum tenens staff. If expenditures increase, including fixed costs and those associated with non-revenue generating positions, and actual productivity in FY2015/16 falls below the targeted goals, FHS may need to seek additional General Fund assistance from the County.

DIVISION PURPOSE

The Social Services Division has 16 major programs primarily providing services in the following major categories: Employment and Eligibility Services (E&ES), which includes Welfare Administration (WA), Child Welfare Services (CWS) and Older and Disabled Adult Services Division (ODAS). In addition, the Social Services Division is also responsible for In-Home Supportive Services (IHSS) Public Authority Administration (BU 7690) the staff in these Divisions are responsible for issuing assistance to clients as budgeted in the Public Assistance Division (BU 7900).

Employment and Eligibility Services

The Employment and Eligibility (E&E) Services Division contribute to the well-being of Solano County residents' well-being by providing safety net public assistance, medical insurance enrollment, 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.

Welfare Administration and Special Projects

Welfare Administration (WA) and the Special Investigations Bureau (SIB) ensures program integrity through comprehensive investigations of fraud allegations in social services programs, the collection of debts, and the timely hearing of appeals.

The Special Projects budget is used for projects that have funding sources separate from the State Social Services funds and are not included in the consolidated social services county expense claim for reimbursement from the State.

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 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 individuals who are among of the county's most isolated and vulnerable citizens. ODAS focuses on comprehensive, integrated assistance for older and disabled adults. The Public Guardian Unit is located within ODAS to protect and manage the estates of decedents and at-risk individuals who are unable to make decisions. The Public Guardian (PG) Office serves as the legally appointed guardian or conservator for persons at risk or who have been a victim of abuse or neglect and have been found by the Courts to be unable to take care of themselves or their assets.

FUNCTION AND RESPONSIBILITIESEmployment and Eligibility Services

Employment and Eligibility Services (E&E) provides public assistance to Solano County residents and assists the recipients toward self-sufficiency. As of December 31, 2014, 118,254 county residents, or 27.8% of the county population, were receiving public assistance benefits, up from 74,471, or 18.1%, five years earlier. These benefits have a significant impact on the county's economy. E&E provides cash aid to over 5,700 families and almost 700 individuals per month, food assistance to almost 22,500 families or over 52,000 individuals per month, Medi-Cal coverage for over 44,600 families per month, and County Medical Services Program (CMSP) coverage to over 500 individuals.

Welfare Administration

Welfare Administration (WA) and the Special Investigations Bureau (SIB) conduct 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 also manages the H&SS employee identification badge access system.

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Special Projects

This budget is used to account for expenditures related to information technology systems and special programs. Information Technology projects include the CalWORKs Information Network (CalWIN) public assistance case management system. Special Programs include Transitional Housing Program Plus (THP-Plus) for transition age youth.

Child Welfare Services

The mission of Child Welfare Services is to protect children from abuse and neglect by strengthening families or finding safe, permanent homes so they can grow into healthy productive adults. Child Welfare Services includes Hotline, Emergency Response 24/7 Services, Intensive Family Maintenance and Family Reunification Services, Permanent Placement Services, Supportive Transition Services and Adoption Services.

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 and Family Reunification provide an Intensive Family Services model which engages families, including frequent social worker contact to address the factors that necessitated Child Welfare Services involvement through a family focused service approach to support families to:

- reduce placement in foster care (reduce re-entry after reunification or removal)
- expedite reunification (time to reunification)
- achieve timely permanency (time to adoption or exit to permanency or time to reunification)
- reduce recidivism (recurrence of maltreatment or reentry after reunification)
- reduce placement disruptions (placement stability)

Supportive Transition provides services to non-minor dependents transitional aged-youth up to 21 years of age. The majority of youth has chosen to transition into supervised independent living placements and is working toward educational and vocational goals.

Permanency Placement (PP) 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 secure permanency, independence and self-sufficiency.

Adoption (PP) 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 relative and nonrelated extended family members, licensed state homes, foster family homes and agencies, and group homes.

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

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 (PG) 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 is available 24-hours-a-day, seven-days a week. 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.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTSEmployment and Eligibility Services

- Effective January 1, 2014, Family Stabilization (FS) became a component of the CalWORKs Welfare-To-Work (WTW) Program. FS provides intensive case management and services to those families identified as having a crisis that interferes with WTW customers' ability to meet the program requirements.
- Families Active in Meaningful Employment (FAME) program is funded by CalWORKs and is designed to provide short-term employment to cash aid customers who are mandatory Welfare to Work participants. FAME provides paid work experience and training to these participants. In addition, they are given the opportunity to learn job skills, paid work experience, increase their household's earnings and contribute to their community and their families.
- E&ES was awarded the CalWORKs Permanent Support Housing (PSH) grant in the amount of \$151,323 to provide permanent supportive housing for homeless clients who are currently being served under Family Stabilization. The E&ES award was one of only 25 awards nationwide.
- Success Track is a newly created Welfare to Work activity in collaboration with Workforce Investment Board (WIB). Through this program, participants are able to customize their resume, work with a placement coach on career planning and enhance their interviewing skills as they prepare for and transition to permanent employment.
- In September 2014 E&ES received a Recognition of Excellence for contributing to California's low Federal Fiscal Year (FFY) 2013 CalFresh error rate. Solano County's FFY2013 CalFresh error rate was 1.22%, compared to California's error rate at 3.63%, and the National error rate at 3.20%.
- In October 2013, the Affordable Care Act was implemented. Solano County established the Center for Healthcare Options and Insurance Coverage Enrollment (CHOICE) call center to accept calls transferred from Covered CA, the State's health benefit exchange. These transferred calls are individuals who were identified as potentially Medi-Cal eligible; however, CHOICE staff handle their enrollment once the calls are transferred, whether they are Medi-Cal eligible, or are instead eligible for a Covered CA plan, either subsidized or unsubsidized. Through December 2014, 99.9% of these calls were answered within the 30 second time limit. As of January 2015, 112,754 individuals were enrolled in Medi-Cal, a 43% growth in Medi-Cal enrollment due to the ACA.
- From January 2014 through June 2014, the Division received \$3,200 in incentive payments from the CMSP Governing Board for timely processing of disability referrals for those customers potentially eligible to Medi-Cal.
- E&ES achieved an un-weighted Work Participation Rate (WPR) of 18% in FFY 2013/14. The low rate is attributed to the continued economic challenges and state budget saving measures that exempted many parents from participation in Welfare to Work activities, but did not exclude them from the Federal WPR calculation.

Welfare Administration

- In order to better manage workloads, the Special Investigations Bureau requested and received approval to delete the Office Coordinator position and add a Clerical Operations Supervisor position. This position has seven direct reports and is responsible for the supervision of all clerical functions in SIB.
- SIB collapsed three data bases into one Access database thus centralizing bureau information.

Child Welfare Services

- Child Welfare Services continues to embrace the refinement of practice through Safety Organized Practice (SOP). SOP is family centered, with a focus on behavioral change, not services. SOP is a way of thinking that informs the family and builds a family support network. The model rolled out starting with volunteers in March 2012. The agency has embraced the model

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thereby setting the goal to train all staff by June 2015. This model supports the Division's mission and vision of keeping children safe in their homes and community.

- Child Welfare Services has worked closely with Children's Mental Health to respond to the Katie A. Settlement between the State and Courts which requires timely access to mental health services for children in the child welfare system. It calls for a redesign of the interface between Child Welfare and Mental Health. Solano County identified 106 children as subclass members who had access to specialty mental health services and coordination.
- Solano County joined the statewide effort, in partnership with a broad coalition of child-serving agencies, to protect and serve child victims of commercial sexual exploitation through child welfare services programs. This effort resulted in the creation of the Commercially Sexually Exploited Children (CSEC) Program, and provides \$5 million in State FY2014/15, and \$14 million beginning FY2015/16 to serve youth who are victims or at risk of commercial sexual exploitation. Legislation also clarified that children who are commercially sexually trafficked now come under the jurisdiction of the child protective services agency. Child Welfare is the lead agency and is responsible for convening stakeholders to develop protocols to respond to this high-risk population. Solano County held its first convening in February 2015, and is challenged by placement resources and the special needs of this unique population.
- Child Welfare Services recommended the Board allow Solano County to opt in to the voluntary Approved Relative Caregiver (ARC) Funding Option Program, thus was approved by the BOS in February 2015 to address the payment disparity in the amount paid for foster children who are under the care of a relative versus non-relative foster parent. Although placement with a relative is the preferred placement, a family caring for a child who is eligible for the Aid to Families with Depended Children-Foster Care (AFDC-FC) program receives a higher monthly grant amount than a family caring for a child who is not federally eligible. Staff in Child Welfare Services and Employment and Eligibility are working together to develop a seamless process to support approved relative caregivers supplemental payments.
- The Intensive Family model is designed for social workers to have manageable caseloads to provide intensive direct services through a family coaching model that empowers families to safely parent their children.
- Solano County has experienced staffing challenges due to staffing retention and recruitment, thereby limiting full implementation of intensive services model and overall operations of child welfare services mandated requirement.

Older and Disabled Adult Services

- After a successful first phase of implementation, this division now struggles with ongoing changes and the State's incomplete reporting and quality assurance system of the automated payroll and case management system (CMIPS II) for the IHSS program. During the first year of implementation compliance rates for re-assessments dropped from 82% to 72%, but are now going back up; currently at 83.4%. The new system has been a challenge for all California counties. Residents, hospitals and applicants are noticing the delays in assessments. The Division is responding to this challenge with a three-pronged approach: (1) triage incoming applications by acuity and need, (2) implement an Interactive Voice Response System that can answer clients' basic questions and free up that time for Social Workers to conduct face-to-face interviews with applicants, and (3) implement a paperless application system that allows applicants to sign forms on tablets for faster processing.
- The fraud detection unit in the Older and Disabled Adult Services ODAS continues its close collaboration with its Special Investigations Bureau (SIB) to detect and prevent fraud with an increasing focus on cost avoidance and concurrent quality assurance reviews for open cases. The services are vital to controlling cost in the IHSS program as the number of IHSS cases has been growing. Since FY2011/12, the fraud unit has generated annual cost savings of \$2 million in overpayment avoidance.
- The Division started the implementation of the Federal Department of Labor rule to pay overtime to IHSS providers for time worked more than 40 hours per week. The implementation was halted five days before the effective date January 1, 2015, when a Federal court declared a stay on the Department of Labor's Rule. Both changes caused significant disruptions in operations and unnecessarily delayed IHSS assessments. The Division expects more lawsuits following the Department of Labor's appeal to this court decision, and IHSS program applications may be further impacted in the future.

WORKLOAD INDICATORSEmployment and Eligibility

- In December 2014, the Division served 118,254 unduplicated county residents, up from 77,393 in December 2010, and 63,749 in December 2007, an increase of 85% in a seven-year period.
- In calendar year 2014, the Benefits Action Center (BAC) caseload of ongoing Medi-Cal and CalFresh recipients increased from 23,200 families in January to 33,644 in December, a 45% increase. In calendar year 2014, the Division received applications for an average of 4,647 cases per month, including CalWORKs, CalFresh, Medi-Cal, CMSP, and General Assistance.
- In 2014, the CHOICE team answered over 2,600 calls from Covered CA, over 2,300 for Solano County residents, and over 300 for residents of other counties, as part of a mutual backup process between counties. Other counties handled 96 calls for Solano County residents. The local offices also experienced increased activity from Medi-Cal applications in person, and using the online MyBenefitsCalWIN application system. In total from January 1, 2014 to December 31, 2014, the number of Medi-Cal recipients in Solano County increased from 84,378 to 110,736.
- Staff Development prepared training materials and trained over 300 E&ES staff on the Affordable Care Act (ACA).

Child Welfare Services

- In 2014, received a monthly average of 312 calls of suspected child abuse and neglect, investigated monthly average of 167 referrals and provided short-term services to families when needed.
- In 2014, maintained a monthly average of 98 children safely in their own home and reunified 162 children with their parents.
- As of February 2015 provided placement for 383 children. Placement of children with relatives has continued to increase from 37% in February 2014 to 42% in February 2015. During the same period, the number of children and youth in group home settings showed a slight increase from 8.4% to 9.1%.
- Staff provided an average of 153 monthly supervised visits between children and their parents in the Visitation Center.
- Staff finalized 48 adoptions in 2014.
- As of March 2015 there were 53 non-minor dependents taking advantage of the extended foster care program, increasing from 35 in the previous year.

Older and Disabled Adult Services

- In FY2014/15, this Division provided services to 3,907 IHSS recipients on average, which is a 15% increase over FY2013/14, with an expected increase of 13.5% in the coming year.
- Staff processed background checks and provided in-person orientations or printed materials for 1,221 in-home care providers and linked 4,450 providers to 3,900 IHSS recipients.
- Staff in the IHSS Fraud Investigation Unit investigated on average 138 reports of In-Home Supportive Services application reviews each month, an increase of 6% over FY2013/14.
- The Public Guardian's Office provided services to an average of 170 conserved clients each month and 70 public administration cases each month at no increase from last year.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of \$8,868,242 or 9.4% in revenues and appropriations when compared to the FY2014/15 Adopted Budget. The County General Fund contribution of \$4,640,038 has been increased by \$264,161 or 6.0%, primarily due to uncontrollable increases in overhead, salaries and benefits attributable to the cost of administering the General Assistance Program and the Public Guardian/Administrator/Conservator program, as well an increase in the IHSS MOE for administration of this program by Older and Disabled Adult Division.

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Primary Funding Sources

The primary funding sources for Social Services' 16 major programs are State Allocations and Federal funds. Federal funding includes: Title IVE Foster Care and Adoptions Assistance, Title XIX Medi-Cal, Title XIX Health Related (CWS, IHSS and APS), Temporary Assistance for Needy Families (TANF) known as CalWORKs, Title XX Community Services, Title IVB Promoting Safe and Stable Families (PSSF) & Child Welfare Services Emergency Assistance, and funds from the Department of Agriculture aka CalFresh.

The State funds are used for the following programs: In-Home Supportive Services (IHSS), California Work Opportunity and Responsibility to Kids (CalWORKs), County Medical Services Program (CMSP) and CalFresh Eligibility. The State of California 2011 Public Safety Realignment legislation diverts 1.0625 cents of sales tax revenues from the State to the counties for the State's share of cost for Adoptions, Child Welfare Services (CWS), Foster Care Administration, Child Abuse Prevention, Intervention and Treatment (CAPIT), Transitional Housing Program Plus (THP Plus), Independent Living Program (ILP), Adult Protective Services (APS) and State Family Preservation (SFP). The net effect of this new funding mechanism is that the County is now responsible for 100% of the non-federal share of costs in realigned programs. The County has a required share of cost for most of these programs, with the exception of ILP, Promoting Safe and Stable Families, Medi-Cal and CMSP. CalWORKs and CalFresh share County Maintenance of Effort (MOE) of \$1,870,052. Once this CalWORKs MOE is met, the funding for these two programs is 100% State and Federal funded. The IHSS MOE requirement for administration in ODAS increases by 3.5% every year and is \$692,559 for FY2015/16. This amount is paid to the State annually as the County's total share of cost, and the expenses of the program in excess of this amount is funded by the State and by Title XIX Medi-Cal revenue.

Primary Operating Expenses

Primary costs for Social Services (BU 7680) are: \$64,613,836 for salaries and employee benefits, \$11,567,638 for services and supplies, \$17,133,353 for other charges include \$3,261,630 for countywide administration (A-87) charges, (an increase of \$1,545,872 or 90% over FY2014/15), \$90,000 in fixed assets, \$ 2,500,824 for other financing uses, and \$ 7,148,406 in intra-fund transfers.

The primary program costs are as follows:

Employment and Eligibility (BU 7650) with recommended Appropriations of \$60,550,599: Accounts for expenses related to staff dedicated to eligibility determination and welfare-to-work programs, including CalWORKs, Medi-Cal, CMSP, CalFresh, Refugee and General Assistance including eligibility workers, employment resource workers, supervisors, clerical staff, accounting staff, managers, and administrators; and also includes the Quality Control (QC) unit that includes employment resource workers and a supervisor who review case files for compliance with regulations, primarily for CalWORKs and CalFresh programs.

Welfare Administration (BU 7545) with recommended Appropriations of \$6,385,290: Accounts for expenses which include welfare fraud investigators, appeals specialists, accounting staff, clerical staff, and an administrator who receive reports of potential fraud in all social services programs. WA conducts investigations on these reports and also hears appeals from clients regarding decisions made on benefits for assistance programs and IHSS services. Clerical and accounting staff that handles fiscal disbursement functions for the assistance programs is also included in this cost center.

Child Welfare Services (BU 7600) with recommended Appropriations of \$21,480,672: Accounts for expenses that include the social workers, supervisors, clerical staff, eligibility workers, managers, and administrators dedicated primarily to child protective services. CWS serves 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, Supportive and Therapeutic Options, Family Preservation services, Wrap Around Services, Child Abuse Prevention and contracted Community Services.

Older Disabled Adult Services (BU 7640) with recommended Appropriations of \$11,179,227: Accounts for expenses that include social workers, clerical staff, accounting staff, nurses, supervisors, a manager, and an administrator dedicated to providing In-Home Supportive Services (IHSS), Adult Protective Services (APS), and Public Guardian functions.

Special Projects (BU 7675) with recommended Appropriations of \$3,458,269: Accounts for expenses that include the Transitional Housing Assistance Program for emancipated foster youth, the CalWIN database and computer system used to determine eligibility for Assistance Programs, and the contract with Hewlett Packard along with other cost associated covered by the CalWIN allocation. This budget unit does not have any permanent staff assigned.

Summary of Division Budget

7680 – Fund 902-Social Services Gerald Huber, Director of Health & Social Services Health & Public Assistance

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	6,331	15	20	5	33.3%
INTERGOVERNMENTAL REV STATE	44,998,313	49,049,733	54,227,472	5,177,739	10.6%
INTERGOVERNMENTAL REV FEDERAL	29,077,611	39,837,613	43,247,398	3,409,785	8.6%
INTERGOVERNMENTAL REV OTHER	0	46,011	0	(46,011)	(100.0%)
CHARGES FOR SERVICES	851,350	828,971	887,269	58,298	7.0%
MISC REVENUE	109,531	0	0	0	0.0%
OTHER FINANCING SOURCES	0	47,595	51,860	4,265	9.0%
GENERAL FUND CONTRIBUTION	5,168,557	4,375,877	4,640,038	264,161	6.0%
TOTAL REVENUES	80,211,693	94,185,815	103,054,057	8,868,242	9.4%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	52,275,426	61,066,288	64,613,836	3,547,548	5.8%
SERVICES AND SUPPLIES	9,249,132	10,685,509	11,567,638	882,129	8.3%
OTHER CHARGES	10,014,098	12,863,011	17,133,353	4,270,342	33.2%
F/A EQUIPMENT	11,831	129,794	90,000	(39,794)	(30.7%)
OTHER FINANCING USES	2,944,447	2,524,467	2,500,824	(23,643)	(0.9%)
INTRA-FUND TRANSFERS	5,692,610	6,916,746	7,148,406	231,660	3.3%
TOTAL APPROPRIATIONS	80,187,544	94,185,815	103,054,057	8,868,242	9.4%
NET CHANGE	(24,149)	0	0	0	0.0%
STAFFING					
SOCIAL SERVICES DIVISION	605.75	640.65	670.65	30.00	4.7%
TOTAL STAFFING	605.75	640.65	670.65	30.00	4.7%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2015/16 Recommended Budget for Social Services projects an \$8,868,242 net increase in revenues compared to the FY2014/15 Adopted Budget. Primarily due to increased funding for Health Care Reform implementation, increases in Health Related funding for IHSS and APS administration, and increases in 2011 and 1991 Realignment. The net increase also includes a County General Fund contribution increase of \$264,161.

State, Federal and Realignment revenues include an increase of \$8,587,524 due to increased funding for cost increases in Eligibility and Employment, Child Welfare Services, and Older and Disabled Adult Services. The additional revenue helps to provide sufficient staffing for current operations and to address staffing needs for Health Care Reform, to serve families with children in foster care or at risk of foster care placements, and for growing demands in the In-Home Supportive Services (IHSS) program. Revenue increases are projected for CalWORKs, Medi-Cal, CalFresh, and Title XIX Health related revenue. Title IVE Federal revenue for Child Welfare programs is projected lower due to changes in the calculation of the federal discount rate that provides reimbursement only for Child Welfare cases eligible for federal funding. Revenue generated for social services programs is reimbursed by the Federal government and State based on the combination of actual eligible hours worked by staff in specific program areas to provide services to clients. An increase in staffing will increase eligible hours worked dedicated to various programs and will generate associated reimbursements for those hours. The Department's projected increase assumes that the State will continue to provide adequate funding for the administration of Health Care Reform on-going operations.

2011 Realignment provides funding formerly supported through State General Fund Allocations for Child Welfare Services which includes the following components and programs: Child Welfare Services case management functions, State Family Preservation, the Transitional Housing Program for foster youth, Adult Protective Services, Foster Care Administration, Child Abuse Prevention, Intervention and Treatment (CAPIT), Independent Living Program, and Adoption Services. The methodology for the distribution of the 2011 Realignment funding changed in FY2014/15, and the Counties were allocated a set percentage of the projected 2011 Realignment Sales Tax revenue to cover all of the realigned programs. The percentage assured that Counties would not receive any less funding than the 2011 Realignment funding distributed through the AB 118 formulas and percentages in FY2011/12, assuming that the level of sales tax receipts did not decline. 2011 Realignment is projected to

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increase in FY2015/16 by \$2,971,140 or 43% reflecting projected increases in sales tax receipts and higher utilization of 2011 Realignment sales tax receipts as opposed to 1991 Realignment Sales Tax revenues, that are projected to decrease by \$2,246,877 or 37%. County General Fund is projected to increase by \$264,161 due to the IHSS MOE increase and also to cost increases for programs are purely funded by the County, including General Assistance and the Public Guardian/Conservator/Administrator. When basic overhead costs increase, including Countywide Administrative (A-87) charges and Dept. of Information Technology costs, a portion of this cost is distributed to County only programs as required by the State mandated cost allocation plan.

The FY2015/16 Recommended Budget for Social Services projects an \$8,868,242 net increase in appropriations compared to the FY2014/15 Adopted Budget. The projected increase results from the following changes in current operations:

- Salaries and Benefits are the largest portion of this increase accounting for a \$3,547,548 net increase due the additional positions in FY2014/15 Midyear, Third Quarter and FY2015/16 Recommended Budgets: The positions provide additional staff to address the impact of current and anticipated caseload increases.
- Services and Supplies increased by \$882,129 primarily due to a \$372,815 increase from the Dept. of Information Technology, a \$454,185 increase for software related to automation projects, and \$63,849 increase in utilities.
- Other Charges increased by \$4,270,342 primarily due to a \$1,545,972 increase in A-87 overhead charges, an increase of \$46,048 for the In-Home Supportive Services (IHSS) MOE, a \$1,837,486 increase for the CalWORKs Extended Subsidized Employment Program, \$340,906 increase for the recently implemented CalWORKs Family Stabilization program, and a \$389,429 increase in costs charged by other County Departments outside of the A-87 charges.
- Fixed Assets decreased by \$39,794, the FY2015/16 amount of \$90,000 includes four new vehicles two for Employment and Eligibility Services and two for Older Disabled Adult Services Program (ODAS), and \$10,000 for the ODAS Interactive Voice Response system.
- Intra-fund Transfers have increased by \$231,660 due to increased costs for the CalWORKs Substance Abuse and Mental Health SMART program, administered by the H&SS Behavioral Health Division.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2014/15 Budget are provided below:

Welfare Administration

Approved on January 6, 2015 is a reclassification of 1.0 FTE Office Coordinator to 1.0 FTE Clerical Operations Supervisor position due to reorganization of the clerical and accounting support staff. There was no financial impact on the County for this reclassification.

Child Welfare Services: (Revenue offset with 2011 Realignment and Federal Funds)

Approved at Mid-Year Budget total of 6.0 FTE to support CWS Family Maintenance services and implement new Quality Assurance mandates from the California Dept. of Social Services

- 4.0 FTE Social Worker III. Including 2.0 converted Extra Help positions
- 1.0 FTE Project Manager
- 1.0 FTE Social Services Supervisor

Older and Disabled Adult Services: (Revenue offset with 2011 Realignment and Federal Funds)

Approved at Midyear a total of 4.0 FTE to address caseload increases in the IHSS program and increases in demand for IHSS Provider Enrollment

- 1.0 FTE Social Services Worker
- 2.0 FTE Social Worker II
- 1.0 FTE Social Worker III

Employment and Eligibility Services:

Approved at Midyear 1.0 FTE Employment and Eligibility Manager to support the expansion of programs and services in the Employment and Eligibility Division.

Approved on April 7, 2015 the total of 12 FTE to support the expansion of programs and services in the CalWORKs program in the Employment and Eligibility Division:

- 8.0 FTE Eligibility Resource Specialist II
- 1.0 FTE Eligibility Resource Specialist III
- 1.0 FTE Eligibility Resource Specialist Supervisor
- 2.0 FTE Staff Development Trainers

A Board of Supervisors Resolution approved at Third Quarter extended the following limited term positions to June 30, 2016:

- 4.0 FTE Eligibility Benefit Specialist II,
- 1.0 FTE Office Assistant II,
- 1.0 FTE Social Services Worker, and
- 0.5 FTE Social Worker II

The FY2015/16 Recommended Budget includes the addition of 6.0 FTE positions that are revenue offset:

For Welfare Administration, it is recommended to add 1.0 FTE Welfare Fraud Investigator II position in Special Investigations Bureau to keep with the fraud referrals and to ensure the necessary level of program integrity.

For Child Welfare Services, it is recommended to add 1.0 FTE Social Worker III position to meet state requirements for quality assurance activities.

For Older and Disabled Adults (ODAS), it is recommended to add the following 3.0 FTE positions to address an increase in caseload relating to new assessments for both IHSS and APS programs. Due to State and Federal regulatory standards, additional staff is required to comply with requirements for completing initial home visits timely and quality assurance. The positions are funded with State and Federal revenues.

- 2.0 FTE Social Worker II
- 1.0 FTE Social Worker III

For Employment and Eligibility Services, it is recommended to add 1.0 FTE Clerical Operations Supervisor to provide the clerical, supervisory and training support needed to improve and enhance on-going operations for all programs operated by this Division. The position is funded with State and Federal revenues.

PENDING ISSUES AND POLICY CONSIDERATIONS

2011 Realignment provides a dedicated funding source from sales tax for Foster Care, Adoptions, Child Protective Services, and Adult Protective Services. The State no longer has a share of program costs; the Counties assume the risk of not having sufficient funding for cost increases, especially for Assistance programs where the services are mandated and the County has no discretion regarding the eligibility factors. The guidelines are broadly defined to allow counties flexibility in structuring realigned programs. However, cash flow problems may occur in future years due to variances or declines in the sales tax revenues, and therefore funding changes may pose a significant risk to counties.

The Approved Relative Caregiver program will be implemented in Solano County effective June 1, 2015. This program provides an increase in payments to relative caregivers who are providing care for children who are not eligible for AFDC-federal foster care payments and are wards of the court, having been removed from their homes by the County's Child Welfare Services program. An allocation of State General Fund (SGF) will be provided for a set number of children who met the program criteria as of July 2014. This allocation is intended to cover the basic costs of the increases to monthly payments for those children who

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are currently eligible. In the event that the SGF funds are not sufficient in the future to cover all costs of this program, the County will be responsible for covering any shortfall in funding.

The Governor's Budget provided new data on the implementation of the Coordinated Care Initiative (CCI) savings which provides for a coordinated medical, behavioral health, long-term supports and services and home and community based services all coordinated through managed care plans. The program provides assistance with activities of daily living to Medicaid recipients who have a chronic illness, medical condition or disability. Services are provided in the home, and many of the eligible residents are now being referred to In Home Supportive Services (IHSS). The IHSS caseload is, therefore, expected to increase. The budget makes no changes in the current County IHSS role in CCI with respect to eligibility determination, assessment of hours, and program administration. The budget does however indicate several unexpected changes in the program which threaten its continued viability: 1) Six pilot counties are participating currently, but are using a passive enrollment process which is resulting in a very high opt out rate; 2) The federal government reduced the amount of savings California is allowed to retain, from 50% to 25%, reducing projected savings; 3) Two changes also impact increases in projected costs for this program: The 4% tax on Managed Care Organizations may not be continued due to Federal guidelines and the potential change in the implementation of FLSA overtime rules for IHSS Providers. The Governor's projections indicate that if savings projected are not viable due to these changes, the CCI would cease operations in January 2017. This change would negate the IHSS MOE and the County would again be responsible for a higher share of cost based on the IHSS program sharing ratios prior to the implementation of the IHSS MOE.

In September 2013, the US Department of Labor (DOL) implemented a rule requiring the payment of minimum wage, overtime, travel time, and wait time during medical appointments for domestic service employees, which included IHSS providers. State law was passed to conform to the new DOL regulations by capping provider hours to 66 hours per month per provider, and instituting a cap of 7 hours of travel time. However, in late December 2014, a federal district court ruled that a portion of the regulations exceeded DOL authority and delayed implementation. These new regulations would impact approximately 4,300 Solano County IHSS workers. If implemented, this new process is expected to impose additional administrative burdens on counties to track, monitor and regulate overtime and may require additional staff. However, these regulations are not expected to impact the County's share of the IHSS MOE cost for provider wages. In the event that the CCI is not continued at the State level, these increases would impact the County's share of IHSS provider wages.

In early 2012, the Quality Improvement Project: Improving Psychotropic Medication Use in Children and Youth in Foster Care (QI Project) was initiated. The goal of the project is to improve the health of children and youth in foster care, with the focus of improving the oversight and monitoring of psychotropic medication use as outlined in the federal Child and Family Services Improvement and Innovation Act of 2011 (P.L. 112-34), required of State Title IV-B agencies as part of their Health Care Coordination and Oversight Plan. Under a data sharing agreement executed between the California Department of Social Services (CDSS) and the Department of Health Care Services (DHCS), CDSS will perform an initial match of the CWS/CMS and a DHCS dataset that contained fee for service and Medi-Cal managed care encounter data of pharmacy paid claim records for all children and wards in foster care who received a psychotropic medication to assist with monitoring the care of foster youth.

California Department of Social Services (CDSS) released ACIN I-40-14, outlining the need for developing qualitative case reviews for the purpose of examining practices and ensuring conformity with Title IV-E and Title IV-B requirements. It is expected that statewide implementation of case reviews will occur no later than August 31, 2015. Case reviews include, but are not limited to, an extensive online review process and in-depth interviews with individuals involved in the case plan for each case selected for review. CWS is required to begin to develop a qualitative review process and a formal training curriculum and process guide for conducting case reviews.

Solano County continues to see declining numbers of State-Licensed Foster homes. We have currently under 30 homes and struggle with recruitment of new families. As a result we continue to be dependent on the Foster Family Agency certified homes which has a greater financial burden on the County. A new statewide initiative called Resource Family Approval (RFA) provides consistency of licensing and approval for continuum of all foster care.

The California Department of Social Services has been notified officially that California did not meet the work participation rate requirements for FFY's 2008, 2009, 2010, and 2011. The Statewide liability for these FFY's is estimated at \$589 million. FFY 2015 has been designated the corrective compliance year for the State of California. If the State of California does not meet the work participation requirement in FFY 2015 the penalty will be imposed and counties contributing to the failure will share in the

cost proportionate to the contribution to the failure to meet the requirement. H&SS will continue to follow this matter closely and encourages the County to consider establishing a designated reserve for this unfunded liability.

BUREAU PURPOSE

On March 5, 2002, the Solano County Board of Supervisors established an In-Home Supportive Services (IHSS) Public Authority to act as the Employer of Record for In-Home Supportive Services providers. In addition to serving as the employer of record for IHSS, the Public Authority also provides services to IHSS consumers. Health and Social Services (H&SS) Social Services Division through a Memorandum of Understanding (MOU) with the IHSS Public Authority Board provides the administration for the IHSS Public Authority. This budget unit was established to track revenues and expenditures for staff positions and other operating costs affiliated with the administration of the IHSS Public Authority.

FUNCTION AND RESPONSIBILITIES

The H&SS dedicates staff and operating expenditures in this budget to fulfill the requirements for administering the IHSS Public Authority responsibility in the following areas: a) operate a Provider Registry to match screened caregivers with IHSS recipients who need care; b) provide training for IHSS providers and consumers; c) act as the Employer of Record for providers to conduct collective bargaining for wages and benefits; d) administer the IHSS provider health plan benefits, provide support to the IHSS Public Authority Advisory Committee; and e) perform any other functions as necessary for the operations of the Public Authority.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

H&SS in its role as staff support for the Public Authority provide services to the community in various areas of responsibility.

Accomplishments include:

- Maintained an average of 197 available caregivers on the Registry to match with IHSS recipients. This is a 42% increase in available caregivers since last fiscal year, but is still under the goal set for the overall caseload. It is important to have a provider pool around 10% of the IHSS population (about 400 providers), but the IHSS population has increased 31% since 2012, and it is an ongoing challenge to match supply with demand. As providers are added, they are immediately hired by IHSS consumers, making them unavailable to other consumers. To reach a 10% pool, the Public Authority will need to continue to its ongoing efforts to recruit.
- The Public Authority implemented brand new Registry software, which has significantly improved productivity and efficiency in managing IHSS consumers referred to the Public Authority. Of the 4100 providers served by IHSS, the Public Authority actively serves 577 of those IHSS consumers with ongoing caregiver hiring and support, while receiving an additional 50 new referrals per month. Of these 50 new referrals, the match rate has increased to 85% within 30 days. For the active caseload, Public Authority staff have actively intervened and mediated issues on 40 cases per month to ensure the IHSS consumer remains safe, and the IHSS caregiver receives the support they need.
- In calendar year 2014, timesheet training was provided to 597 caregivers, and an additional 97 caregivers received training on safety and mobility, range of motion, and creating and maintaining positive relationships in IHSS. The Public Authority would like to offer more direct training to IHSS caregivers in FY2015/16 to ensure providers are receiving information that will help them keep their clients safer and healthier as they age.

WORKLOAD INDICATORS

During the calendar year 2014, the H&SS Public Authority staff received and processed 497 referrals from Older and Disabled Services program, resulting in 417 successful matches between providers and consumers. The Public Authority's ongoing caseload is 577 consumers who require ongoing support. Other services include providing training for 700 caregivers, and managing health benefits paperwork for an average of 675 IHSS providers per month, as well as maintained a waiting list of over 480 IHSS providers.

BUREAU BUDGET SUMMARY

The Recommended Budget represents an increase of \$115,822 or 9.4% in revenues and an increase of \$116,690 or 9.4% in appropriations when compared to the FY2014/15 Adopted Budget.

Social Services Functional Area Summary**7690 – Fund 902-IHSS-Public Authority Admin.
Gerald Huber, Director of Health & Social Services
Health & Public Assistance**Primary Funding Sources

An operating transfer-in of \$1,352,465 from the IHSS Public Authority (BU 1521) provides the revenue to cover the expenditures. Federal and State reimbursement revenue for administrative costs as well as required County General Fund match is also budgeted in (BU 1521).

Primary Cost

Primary costs for IHSS Public Authority Administration (BU 7690) are: \$642,254 for salaries and employee benefits, \$111,523 for services and supplies, which includes a \$6,000 contract for Refined Technology, Inc. and \$7,500 to provide the Care Tracker System with technical support to manage the registry and administer the health benefits plan along with a \$15,000 contract to provide consulting services; \$505,713 for other charges which includes \$481,074 for the IHSS MOE, A-87 charges and charges from other Departments; \$24,533 for other financing uses; and \$68,442 in intra-fund transfers.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	(52,620)	0	0	0	0.0%
MISC REVENUE	710	0	0	0	0.0%
OTHER FINANCING SOURCES	1,158,009	1,236,643	1,352,465	115,822	9.4%
TOTAL REVENUES	1,106,098	1,236,643	1,352,465	115,822	9.4%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	467,897	540,752	642,254	101,502	18.8%
SERVICES AND SUPPLIES	88,454	109,554	111,523	1,969	1.8%
OTHER CHARGES	460,913	470,816	505,713	34,897	7.4%
OTHER FINANCING USES	20,925	22,082	24,533	2,451	11.1%
INTRA-FUND TRANSFERS	67,586	92,571	68,442	(24,129)	(26.1%)
TOTAL APPROPRIATIONS	1,105,774	1,235,775	1,352,465	116,690	9.4%
NET CHANGE	(324)	(868)	0	868	(100.0%)
STAFFING					
IN-HOME SUPPORTIVE SERVICES PA	5.00	5.00	6.00	1.00	20.0%
TOTAL STAFFING	5.00	5.00	6.00	1.00	20.0%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Increases in expenditures have resulted primarily in salaries and benefits COLA and health insurance increases and for the addition of a new Social Services Worker position. The mechanism has changed for accounting for the County's share of the IHSS Public Authority costs due to the implementation of the IHSS MOE. Instead of having a percentage share of actual expenditures, the County receives a bill each month for the County's IHSS MOE. The increases in the IHSS Public Authority administration budget do not require any additional County General Fund support in (BU 1520). The revenue for (BU 7690) is an operating transfer in from the dedicated IHSS Public Authority Fund 152 (BU 1520), where the costs of administering IHSS Public Authority are isolated and claimed for reimbursement.

SUMMARY OF POSITION CHANGES

The FY2015/16 Recommended Budget includes the addition of 1.0 FTE Social Services Worker to support new requirements and growth in the IHSS.

PENDING ISSUES AND POLICY CONSIDERATIONS

See Pending Issues and Policy Considerations under BU1521 Fund 152 Public Authority

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DIVISION PURPOSE

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

FUNCTION AND RESPONSIBILITIES

The budget for Assistance Programs does not have assigned personnel; it functions as a means to track expenditures, and Federal/State reimbursements for Solano County Public Assistance Programs. The public assistance programs include California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Assistance, In-Home Supportive Services (IHSS) Individual Provider Program, and General Assistance (GA). The Assistance Programs provide mandated categorical aid to eligible persons based on Federal and State criteria.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Projecting the cost of assistance programs is challenging, given current economic conditions, court decisions and changes in State regulations. Expenditures for General Assistance are supported 100% by the County General Fund. The FY2015/16 budget includes an estimated General Fund contribution of \$2,736,868 based on the current trend in caseload. General Assistance is not always predictable, which makes budgeting for this program a challenge.

In-Home Supportive Services (IHSS) Provider Wages are budgeted at \$7,750,395 that includes the 3.5% increase required for the IHSS MOE per Statute representing a \$197,624 increase to County General Fund cost. This budget reflects only the County share of this Program. Provider wages are paid by the State, and the County is subsequently billed for the IHSS MOE amount. The number of paid provider hours estimated for FY2015/16 is estimated at 4,801,087, and the basic wage paid to IHSS Providers in Solano County is \$11.50 per hour. The IHSS provider program also includes payroll taxes and the cost of the State's payroll system. The use of an MOE methodology remains contingent upon the success of the Coordinated Care Initiative (CCI) for long term care that the State is implementing in seven (7) pilot counties. The State will be tracking the success of these counties in containing the cost of long term care that includes the In-Home Supportive Services Program during the three year pilot program. The FY2015/16 Governor's Budget discussion on this Initiative is included in the narrative for Social Services BU 7680 Pending Issues and Considerations section.

The cost of Foster Care is projected to decrease for an estimated 465 foster children served by H&SS. The reduction in cost is a reflection of the success of the intensive family maintenance and reunification services effort by Child Welfare Services staff, by reducing new out-of-home placements, reducing time spent in an out-of-home placement and improving outcomes for at risk children. This success is achieved by providing more intensive case management services in order to maintain at risk children in their own homes, as opposed to having more placements in foster care agencies and group homes. Over the past two years, staffing was increased in Child Welfare Services for intensive family maintenance and reunification services. These services are designed to maintain children in their own homes when possible and to reduce the time that a child remains in foster care placement, once that child is removed, as well as to step down from higher levels of out of home foster care placements where possible. The Board's investment in increased CWS staffing to provide intensive family maintenance and family reunification is keeping the cost of foster care out of home placements from escalating. Additional social worker staff are being requested in Child Welfare Services in FY2015/16 to further support and enhance this service delivery model.

The cost of Adoptions Assistance is projected to increase which is good news in general since achieving permanent placement for foster children is the desired goal. This increase includes an average caseload of 558 children, an increase of approximately 4%, and includes an estimated 2% increase in rates set at the State level.

Both Foster Care and Adoptions assistance programs are included in the 2011 Public Safety Realignment legislation that redirected Sales Tax revenues to Counties to fund the State's share of these programs. It is assumed that sales tax revenue designated for Adoptions and Foster care will increase in FY2015/16. The Statutes for FY2014/15 provided a funding percentage for each County that conforms to the actual costs incurred for each of the realigned programs in FY2011/12 and subsequent legislation provided constitutional protection for the sales tax funding and mandates for State and Local Governments. Since the County now has 100% responsibility for any costs not covered by Federal funding, increases in what would have been the State's share of program costs are intended to be covered by increases in sales tax revenues. In the event that sales tax revenues are not sufficient, then the cost to the County General Fund will increase. However, the current projection for FY2015/16 sales tax revenues is expected to be sufficient.

CalWORKs Assistance was realigned differently from other programs because the State did a one-time shift of funds from Proposition 63 to fund Mental Health Programs, and in turn shifted 1991 Mental Health Realignment funds to pay for CalWORKs Assistance costs. To the extent that Mental Health 1991 Realignment funds do not cover the State's share of cost for CalWORKs, the State is continuing to fund their share from State General Fund. This method for covering the State's share of CalWORKs costs is expected to continue in FY2015/16.

During FY2015/16, even with the best projections, there is a possibility that costs for the assistance programs may exceed budgeted appropriations and require a transfer from General Fund Contingency. H&SS and the County Administrator's Office closely monitor expenditures of the Assistance Programs; if adjustments are required they would be made at Midyear and/or Third Quarter.

WORKLOAD INDICATORS

The Assistance Budget includes funding for payments only, and does not include expenditures 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 those budgets.

DIVISION BUDGET SUMMARY

The Recommended Budget represents an overall increase of \$1,277,195 or 2.1% in revenues and appropriations when compared to FY2014/15 Adopted Budget. County Contribution of \$8,579,473 represents a decrease of \$187,932 or 2.1%.

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).

The primary cost centers for this budget are as follows:

Adoptions Assistance: Recommended appropriation is \$6,445,900 funded by \$2,628,415 in Federal funds and \$3,807,772 in 1991 and 2011 Realignment funds. County General Fund cost is \$9,713 for the cost of A-87 charges.

Foster Care Assistance: Includes Kinship Guardianship Assistance Payment Program (Kin-GAP) BU 7902 \$492,316, Foster Care BU 7903 \$9,348,288, and Wraparound Contracted Services for Foster Care BU 7908 \$163,344 with a combined recommended appropriation is \$10,003,948 funded by \$2,562,940 in Federal funds, \$75,284 in State funds, and \$6,979,612 in 1991 and 2011 Realignment Funds. County General Fund cost is \$386,112 combined.

CalWORKs Assistance: Recommended appropriation is \$33,990,736 funded by \$10,892,683 in Federal funds and \$22,192,570 in State and 1991 Realignment funds. The County General Fund portion is \$905,483.

Refugee Assistance: Recommended appropriation is \$12,069 funded by \$11,988, in Federal funds and \$81 in County General Fund for un-claimable Countywide cost allocation plan charges.

General Assistance: Recommended appropriation is \$2,736,868 funded 100% with County General Fund.

County Only Foster Care: Recommended appropriation is \$40,189 funded 100% with County General Fund. This budget also includes the cost of the Foster Care Wraparound contract for children who are not placed outside their homes, and this cost is included above in Foster Care Assistance.

IHSS Individual Provider: Recommended appropriation is \$7,750,395 funded 100% by 1991 Realignment and County General Fund. The County General Fund portion is \$4,501,027 which increased by \$197,624 as a result of the Statutory increase in the IHSS MOE. The 1991 Realignment funding for this budget is \$3,249,368.

7900 – Fund 902-Assistance Programs**Summary of Division Budget**

Gerald Huber, Director of Health & Social Services
Health & Public Assistance

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	308	0	0	0	0.0%
INTERGOVERNMENTAL REV STATE	34,747,813	34,897,837	36,604,606	1,706,769	4.9%
INTERGOVERNMENTAL REV FEDERAL	15,152,330	16,337,668	16,096,026	(241,642)	(1.5%)
GENERAL FUND CONTRIBUTION	8,767,406	8,767,405	8,579,473	(187,932)	(2.1%)
TOTAL REVENUES	58,667,857	60,002,910	61,280,105	1,277,195	2.1%
APPROPRIATIONS					
OTHER CHARGES	58,330,069	60,002,910	61,280,105	1,277,195	2.1%
OTHER FINANCING USES	337,788	0	0	0	0.0%
TOTAL APPROPRIATIONS	58,667,857	60,002,910	61,280,105	1,277,195	2.1%
NET CHANGE	0	0	0	0	0.0%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Assistance Programs are funded primarily by Title IV-E (Adoptions and Foster Care) and TANF (CalWORKs) federal funds, and 1991 and 2011 Realignment Funds. County General Fund Contribution of \$8,579,473 is used to pay the County share. Changes to revenue and appropriations are presented by program. Factors contributing to the budget changes are the net result of:

Adoptions Assistance Program BU 7901: \$588,234 or 10% increase in both revenues and appropriations compared to the FY2014/15 Adopted Budget. The Adoptions program is impacted by a series of California Necessities Index (CNI) rate increases, and the changes will increase the average cost of the grant to more than 558 Adoptive Families by \$51 per month. Caseload is expected to increase over the year by approximately 4% compared to current caseloads or 558 adoptive families. More 2011 Realignment is budgeted for this program and is reducing CGF by \$106,512.

Foster Care Program BU 7903, 7902, and 7908: Costs for foster care payments are budgeted in all three of these budget units representing a decrease of \$672,470 or 6.3 % in both revenues and appropriations compared to FY2014/15 Adopted Budget. In FY2014/15 all costs for Foster Care Assistance were budgeted in BU 7903, Since the FY2015/16 budget now separates these costs in three cost centers, a combined total of FY2015/16 expenditures from the three budgets are compared to the FY2014/15 Adopted Budget in BU 7903. Please note that for BU 7908 only the cost of Wrap Around contracted services (subobject 0003153) is included in the calculations for this comparison to the Adopted Budget. Foster Care Assistance is also impacted by California Necessities index increases, and the projection assumes a foster care rate increase of 2% for FY2015/16. The Recommended Budget reflects an actual decrease in foster care payments (\$890,724) offset by a reduction in collections from other agencies and an increase in A-87 costs resulting in a net total reduction of \$672,470. The County General Fund for Foster Care costs in these three budgets is decreasing by \$369,652.

CalWORKs Assistance BU 7904: There is a \$735,869, or 2.21%, increase in both revenues and appropriations. The 5% grant increase approved in the Governor's Budget is funded through specially designated 2011 Realignment growth accounts and the cost of these increases is intended to be cost neutral to Counties. The County General Fund is increasing by \$41,179, to cover the County's 2.5% share of the increase CalWORKs assistance grants and an increase in A-87 charges to this budget.

General Assistance BU 7907: \$142,951 increase in appropriations and CGF contribution is due to a projected increase in cases to average of 714 per month as compared to the projected cases in the Adopted Budget of 631 average cases per month. The cost per case is projected increase from an average of \$369 to \$387 per case per month. The General Assistance grants are tied to the CalWORKs grant increases and will increase by 5% on the same schedule as CalWORKs Assistance.

County Only Foster Care BU 7908: The total appropriations in this budget are \$203,533 of which \$163,344 is the cost of Foster Care Wraparound services that are no longer included in BU 7903 due to a change in the State's methodology for claiming these services. The balance of cost in this budget is for services provided to children in Foster Care placements that are not funded through federal and realignment sources. Compared to the FY2014/15 Adopted Budget, appropriations that are not

related to Foster Care Wrap Around services are \$40,189, which is a decrease of \$93,324 offset by an increase in A-87 charges of \$114. The General Fund Contribution is decreasing by \$93,210.

Approved Relative Caregiver BU 7909: This is a new program implemented in June 2015, and the State allocation for this program is not available at the time of FY2015/16 Requested Budget submission. An estimated amount of \$300,000 was included in the Requested Budget, subject to revision once the allocation is provided. This program will supplement the payments made for children who are removed from their homes and placed with relatives who are currently eligible for a CalWORKs grant only to provide for the care of the child. The program will be funded with State General Fund and any amounts issued in excess of the allocation will be funded with County General Fund. For FY2015/16, County General Fund is not included in the projected budget.

IHSS Provider Wages BU 7910: \$275,429 increase in both revenues and appropriations due to the IHSS MOE requirements and an increase in A-87 charges. The IHSS MOE establishes a maximum share of costs for provider wages at \$7,467,565 for FY2014/15, and is increasing by 3.5% in FY2015/16 per statute to \$7,739,079. County General Fund is increasing by \$197,624.

PENDING ISSUES AND POLICY CONSIDERATIONS

Adoptions: Increases in State mandated rates are driving up the costs of this program and caseload has been increasing. Since the County is now responsible for 100% of the non-federal share of this program, increases in County General Fund may occur.

Foster Care: The implementation of the Approved Relative Caregiver program may result in payments that exceed the allocated amount from the State General Fund, resulting in an increase in required County General Fund to cover the costs of these payments to relative foster parents.

IHSS Provider Wages: Any changes to the IHSS MOE methodology for determining the County's share of Cost in this program will shift a higher cost of IHSS provider wages to the County.

7500 – Fund 902-H&SS-Department Summary
Gerald Huber, Director of Health & Social Services
Health

Summary of Other Administered Budgets

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2013/14 ACTUAL	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	3,564,298	3,776,903	4,257,181	480,278	12.7%
7950 TOBACCO PREVENTION & EDUCATION	150,325	181,188	199,777	18,589	10.3%
9600 MHSA	12,338,318	15,695,117	14,944,060	(751,057)	(4.8%)
APPROPRIATIONS					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	3,564,298	3,776,903	4,257,181	480,278	12.7%
7950 TOBACCO PREVENTION & EDUCATION	135,422	181,188	199,777	18,589	10.3%
9600 MHSA	13,111,546	16,723,735	19,094,917	2,371,182	14.2%
NET CHANGE					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	0	0	0	0	0.0%
7950 TOBACCO PREVENTION & EDUCATION	14,904	0	0	0	0.0%
9600 MHSA	(773,228)	(1,028,618)	(4,150,857)	(3,122,239)	303.5%

A summary of the budgets administered by the Health and Social Services Department is provided on the following pages.

DEPARTMENTAL PURPOSE

The In-Home Supportive Services (IHSS) Public Authority is a distinct legal entity that serves as the Employer of Record for In-Home Supportive Services 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. In addition to serving as the Employer of Record for IHSS, the Public Authority also provides services to IHSS consumers.

FUNCTION AND RESPONSIBILITIES

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

The IHSS Public Authority operates a Provider Registry of available care providers to match screened caregivers with individuals who need care, or IHSS recipients. The IHSS Public Authority 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 Public Authority Advisory Committee, and performs any other functions that may be necessary for the operation of the IHSS Public Authority and/or the delivery of In-Home Supportive Services in Solano County.

This budget unit includes administrative costs incurred by the IHSS Public Authority and health benefits plan costs for IHSS providers. The required County General Fund contribution for these functions is budgeted in this fund. This budget unit also reflects the required County General Fund contribution for the administrative costs incurred by the IHSS Public Authority and health benefits plan costs for IHSS providers. The County General Fund share for IHSS provider wages is in the H&SS Assistance Programs BU 7900.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Public Authority administers the health benefits plan for an average of 733 IHSS providers. In 2014, the Public Authority provided health benefits to 740 providers with 470 on the waiting list. While the Public Authority is noting a decrease in requests for health benefits due to the implementation of the Affordable Care Act, IHSS applications have increased by 23% because Medi-Cal eligibility regulations allow more Medi-Cal clients to receive IHSS benefits. With more clients comes more hours, allowing the cap of providers receiving health benefits to be increased. As of January 2015, the Public Authority is providing benefits to 722 individuals, with 502 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 Social Services narrative for budget 7690.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of \$480,278 or 12.7% in both revenues and appropriations when compared to the FY2014/15 Adopted Budget. However, the County General Fund Contribution of \$512,362 is decreasing by \$41,179.

The primary funding source for this Budget is Federal Title XIX (Medi-Cal funding), State funds and County General Fund required match. The primary costs appropriated in this budget reflect the cost of health benefits for care providers, A-87 overhead projected at \$2,904,716. In addition, the cost of IHSS PA administration in the amount of \$871,391 and the cost of the IHSS PA share of the IHSS MOE in the amount of \$481,074 are transferred to this budget for claiming Federal and State reimbursement.

Symetra Life Insurance Company administers the health benefits program for the home care providers, and is the only contract included in this budget. This agreement is based on Symetra rates for the insurance premiums and adjusted annually. The

1520 – Fund 152-IHSS-Public Authority
Gerald Huber, Director of Health & Social Services
Health & Public Assistance

Summary of Other Administered Budgets

administrative costs are budgeted as an operating transfer out to the H&SS budget 7690 where the administrative operating staff and expenses are appropriated.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	1,435,518	1,454,896	1,714,716	259,820	17.9%
INTERGOVERNMENTAL REV FEDERAL	1,637,915	1,768,466	2,030,103	261,637	14.8%
GENERAL FUND CONTRIBUTION	490,864	553,541	512,362	(41,179)	(7.4%)
TOTAL REVENUES	3,564,298	3,776,903	4,257,181	480,278	12.7%
APPROPRIATIONS					
OTHER CHARGES	2,406,290	2,540,260	2,904,716	364,456	14.3%
OTHER FINANCING USES	1,158,009	1,236,643	1,352,465	115,822	9.4%
TOTAL APPROPRIATIONS	3,564,298	3,776,903	4,257,181	480,278	12.7%
NET CHANGE	0	0	0	0	0.0%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2015/16 budget increase of \$364,456 for Provider Health Benefits is based on current trends for increasing IHSS provider hours that are projected at approximately 4.8 Million hours in FY2015/16. The cost of the transfer out for Public Authority Administration is increasing by \$115,822, and A-87 charges have increased by \$11,088. Since the implementation of the IHSS MOE, the mechanism for accounting for the County's share of cost has changed. In the past, revenue received for this program excluded the County's share of cost, and County General fund covered costs not reimbursed by State and Federal Revenues. Since the implementation of the IHSS MOE, the State now reimburses the County for 100% of costs incurred, and then bills the County separately for the IHSS MOE.

Increases are funded by both a \$261,637 increase in Federal Health Related (Title XIX) revenue and a \$259,820 increase in State revenue. The implementation of the IHSS MOE established the County's share of cost for three components, IHSS Program Administration, IHSS Public Authority Administration and IHSS Provider Wages based on FY2011/12 costs. The legislation builds in annual increases of 3.5% to the base amount starting in FY2014/15.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The IHSS-MOE is intended to permanently replace the County's share of cost for the Administration of the IHSS program in the Older and Disabled Adult Services Division, for IHSS provider wages, and for IHSS Public Authority Administration. The base year costs to establish the MOE is FY2011/12, and it has a built in inflation factor of 3.5% effective July 2014. This new approach to funding the IHSS program will include moving collective bargaining with IHSS Providers from the local level to the State level over a three year period. This proposal is contingent upon the success of pilot projects in 8 counties for the State's Coordinated Care Initiative (CCI), that intends to utilize a managed care approach for all of the components of long term care and to place these components under the State's control. If the pilot projects are not successful, the legislation (SB1036) allows the State to terminate the CCI project, and collective bargaining would return to the counties and the MOE would revert to the pre-existing 35% of non-federal cost.

The number of IHSS providers that can be covered by health insurance will vary in relation to changes in paid hours because the funding for this benefit is based exclusively on reimbursement at \$0.60 per paid provider hour. When the number of paid provider hour's increases, the number of providers that are covered also increases, but must be limited to the total reimbursable amount. It is anticipated that more IHSS caregivers will qualify for expanded Medi-Cal or subsidies through California's health exchange known as Covered California.

DEPARTMENTAL PURPOSE

On May 7, 2013 the Solano County Board of Supervisors approved the establishment of the Mental Health Services Act (MHSA) budget unit in accordance with State Welfare & Institutions code (WIC) 5892(f) to facilitate the MHSA County Fiscal Accountability Certification required by the State.

FUNCTION AND RESPONSIBILITY

MHSA was established in November 2004 with the passage of Proposition 63. This was the first opportunity in many years that the California Department of Mental Health (DMH) was able to provide increased funding, for personnel and other resources to support county mental health programs and monitor progress toward statewide goals for children, transition age youth, adults, older adults and families. MHSA addresses a broad continuum of prevention, early intervention and service needs and the necessary infrastructure, technology and training elements that will effectively support this system. MHSA imposed a 1% income tax on personal income in excess of \$1 million. Statewide, MHSA was projected to generate approximately \$254 million in FY2004/05, \$683 million in FY2005/06 and increasing amounts thereafter. Much of the funding was intended to provide County Mental Health programs funds consistent with their local plans. Any uncommitted funds during FY2005/06 were to establish County prudent reserve accounts as required by MHSA. Up until FY2013/14, MHSA funds were allocated in H&SS fund 902.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Mental Health Services Act (MHSA) programs continue to set trends for community oriented mental health prevention and early intervention. In partnership with community providers, MHSA programs are providing Mental Health First Aid training, integrated behavioral healthcare based on a model proven to enhance access for underserved populations, and wellness centers that offer a variety of supportive resources and activities in a structured environment that support the seriously mentally ill consumer. Most recently, services to severely mentally ill individuals were expanded to include adults ages 21-65 through Full-Service Partnership Intensive Wrap-Around Teams, as well as for children ages 6-17.

WORKLOAD INDICATORS

Workload Indicators are included in H&SS Behavioral Health (BU 7780).

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents a decrease of \$751,057 or 4.8% in revenues and an increase of \$2,371,182 or 14.2% in appropriations when compared to the FY2014/15 Adopted Budget. There is no County General Fund Contribution to this Fund. MHSA funds are directly recognized in this Fund and transferred to Fund 902 to reimburse MHSA qualifying expenditures.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	82,132	85,888	85,888	0	0.0%
INTERGOVERNMENTAL REV STATE	12,256,186	15,609,229	14,858,172	(751,057)	(4.8%)
TOTAL REVENUES	12,338,318	15,695,117	14,944,060	(751,057)	(4.8%)
APPROPRIATIONS					
OTHER CHARGES	0	11,493	433	(11,060)	(96.2%)
OTHER FINANCING USES	13,111,546	16,712,242	19,094,484	2,382,242	14.3%
TOTAL APPROPRIATIONS	13,111,546	16,723,735	19,094,917	2,371,182	14.2%
CHANGE IN FUND BALANCE	773,228	1,028,618	4,150,857	3,122,239	303.5%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

A decrease of \$751,057 in revenues in the Recommended Budget is due to a lower projection for receipt of MHSA revenues compared to Final Budget FY2014/15 primarily due to lower tax receipts projected for FY2015/16. The increase of \$2,371,182 in appropriations is primarily due to increase transfers out to Fund 902 for MHSA program costs.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are no pending issues or policy considerations at this time.

DEPARTMENTAL PURPOSE

Tobacco Prevention and Education Program (TPEP) is a Health Promotion and Community Wellness program located within the Public Health Division of Solano County Health & Social Services. The mission of Solano County Public Health is to optimize the health of the community through individual and population-based services which promote health and safety through prevention and treatment of disease and injury.

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), Tobacco Control Program (TCP). This program provides funds for 61 Local Lead Agencies, which operate community-based programs to prevent and reduce tobacco use. The Tobacco Prevention and Education Program (TPEP) is designated as Solano County's Local Lead Agency for tobacco control.

TPEP is a Health Promotion and Community Wellness program located within the Public Health Division of Solano County Health & Social Services. TPEP is required by California Department of Public Health, Tobacco Control Program to focus on these major areas:

- Limit tobacco-promoting influences.
- Reduce exposure to secondhand smoke, tobacco smoke residue, tobacco waste and other tobacco products.
- Reduce the availability of tobacco products.
- Promote tobacco cessation services.
- Build local assets to support local tobacco control interventions.

Every three years, TPEP is required to conduct a community-based needs assessment in order to develop and implement health education interventions and behavior change programs at the local level. These interventions are expected to largely focus on policy change, as well as community norm change. TPEP is also required to maintain a community coalition to advise TPEP and H&SS.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

In 2014, the Healthy Stores for a Healthy Community (HSHC) campaign and findings were highlighted in a regional press conference held in March and at a local event held in April. Throughout the year data were collected and analyzed and partnerships with the Alcohol, Tobacco and Other Drugs (ATOD) Prevention City Teams, the County Office of Education, Nutrition Services, and other programs and organizations were developed and strengthened to support HSHC efforts in Solano County.

WORKLOAD INDICATORS

- In 2014, seven persons, including the Solano County Deputy Health Officer and four youth, were recruited and trained to speak with the media at a regional HSHC press conference that was planned and conducted with neighboring local lead agencies on March 5, 2014.
- In April, 2014, a 90 minute local event to share findings from store surveys was conducted and attended by 28 participants, including Tobacco Education Coalition members, alcohol and nutrition partners, city staff representatives and a media representative. Meeting materials included GIS maps and a data fact sheet based on analysis of the 177 stores that were surveyed countywide.
- In June 2014, a 2 hour county-wide HSHC community planning forum was held and attended by 21 representatives from ATOD Prevention City Teams, Nutrition Services, County Board of Supervisors, County Office of Education, Dairy Council, Farmbudsman and youth who helped with store surveys. Results from an opinion poll and key informant interviews were shared, along with a review of store data and density/location maps. Partners and policy priorities for HSHC were identified.

7950 – Fund 390-Tobacco Prevention & Education
Gerald Huber, Director of Health & Social Services
Health & Public Assistance

Summary of Other Administered Budgets

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of \$18,589 or 10.3% in both revenues and appropriations when compared to its FY2014/15 Adopted Budget. There is no County contribution to this budget. The primary funding source for TPEP is the State of California Tobacco Prevention and Education Fund Allocation.

See related Budget Unit 9290 – Fund 390 Contingencies (refer to Contingencies section of the Budget).

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	300	300	300	0	0.0%
INTERGOVERNMENTAL REV STATE	150,000	180,161	199,477	19,316	10.7%
CHARGES FOR SERVICES	0	727	0	(727)	(100.0%)
MISC REVENUE	25	0	0	0	0.0%
TOTAL REVENUES	150,325	181,188	199,777	18,589	10.3%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	315	376	376	0	0.0%
SERVICES AND SUPPLIES	29,587	28,312	55,051	26,739	94.4%
OTHER CHARGES	1,155	48	2,903	2,855	5947.9%
OTHER FINANCING USES	104,365	152,452	141,447	(11,005)	(7.2%)
TOTAL APPROPRIATIONS	135,422	181,188	199,777	18,589	10.3%
CHANGE IN FUND BALANCE	(14,904)	0	0	0	0.0%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

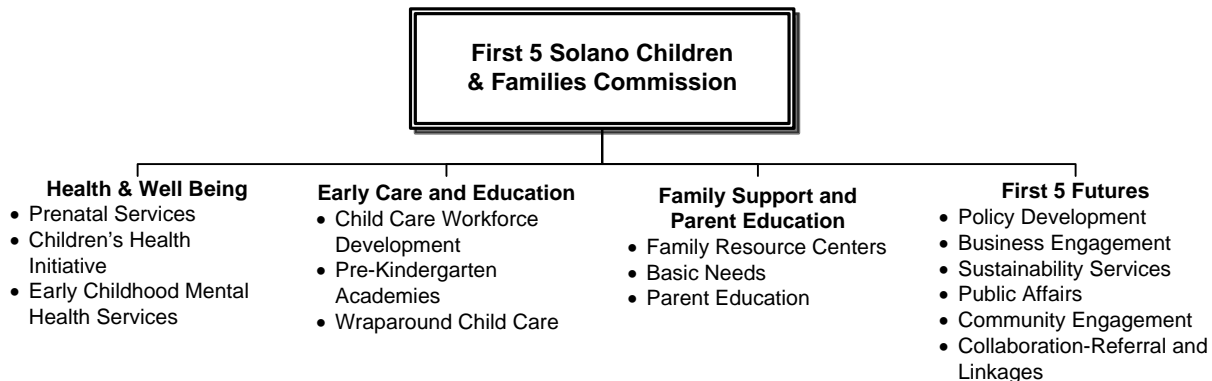
An increase of revenues of \$18,589 is primarily due to a higher fund balance available for this program. An increase in appropriations of \$18,589 is primarily due to an increase in consulting services and a decrease of transfers out to Public Health for personnel expenditures.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are a couple of significant pending issues or policy considerations regarding the Tobacco Prevention and Education Fund for FY2015/16. The first of these is implementation of the County's new policy regarding smoking-free campuses. Identification of appropriate exceptions or modifications to the policy, if any, and the specific phase-in of the policy will need to be addressed in the coming fiscal year, as will provision of tobacco cessation courses to employees and the community. The second is implementation of appropriate regulation of electronic cigarettes in Solano County. The Fund allocations to Counties have been gradually decreasing as smoking rates in California have been decreasing; however, this is both anticipated and desired.



DEPARTMENTAL PURPOSE

First 5 Solano Children and Families Commission (First 5 Solano) exists to develop and support programs and partnerships that improve the lives of young children, their families and their communities. First 5 Solano was created as a result of Proposition 10, approved by California voters in 1998, which established a dedicated funding source for services for children ages birth to five utilizing taxes on the sale of tobacco products. There are both a state-level First 5 Commission and 58 county commissions; each county commission operates in accordance with a locally-approved strategic plan. County commissioners, appointed by local Boards of Supervisors, have sole authority to allocate county commission funds. These funds, which decline over time, cannot be used to supplant existing programs and/or services.

First 5 Solano's strategic investments of approximately \$6.8 million annually are used to support an additional \$7 million in local, state, federal and foundation dollars for Solano

County's youngest children. First 5 Solano provides funding for community-based services that address the health, well-being, social, cognitive, academic, emotional and 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:

FY2014/15 Third Quarter Projection:	6,572,357
FY2015/16 Recommended:	6,819,927
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	7

FUNCTION AND RESPONSIBILITIES

First 5 Solano funds local community organizations, government agencies, and school districts which offer programs and services that align with the following Strategic Plan Priority areas: Health and Well-Being (prenatal, early childhood mental health and children's health services); Early Childhood Learning and Development (child care workforce development, child care quality improvement, pre-Kindergarten academies and child care wraparound services); and Family Support and Parent Education (family resource center, housing supports and parent education services). First 5 Solano has also implemented "First 5 Futures," an initiative designed to generate funding from alternative sources to expand and sustain vital young children's programs. First 5 Solano provides systems building approaches such as funding a "meta-collaborative" known as Help Me Grow Solano to increase coordination and connection of young children to services along with a data collection/reporting system for its grantees. First 5 Solano directly operates several programs, such as partnering with the business community, distributing the "Kit for New Parents," supporting and participating in community events, and pursuing policies that strengthen the infrastructure and safety net services for children ages 0-5 and their families.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Completed the third year of implementation the First 5 Commission's updated Strategic Plan and 2012-2015 Program Investment Plan of over \$14 million in programmatic investments to support the Commission's mission and vision for Solano County's young children and their families.

Michele Harris, Executive Director
Health & Public Assistance

- Began strategic and collective impact planning to address declining revenue and reserve funds. Strategic planning is anticipated to conclude by December 2015.
- Provided direct services to approximately 6,000 children, 5,000 parents/guardians, and 1,000 providers of services to young children, including:
 - Screened, assessed, and provided appropriate treatment nearly 1,000 children at risk for mental and behavioral health needs, lessening the chances and/or severity of future special education and other service needs.
 - Kept approximately 150 young children at risk of foster care system involvement safely in their homes and communities through neighborhood-based, multi-disciplinary team home visiting and case conferencing through a partnership between the local Family Resources Centers, Public Health, and Child Welfare Services.
 - Supported affordable access to health insurance coverage for over 900 young children.
 - Provided 570 children pre-kindergarten educational opportunities through Pre-Kindergarten Academies. The children showed improvements in social emotional and cognitive skills and were more prepared to enter Kindergarten.

WORKLOAD INDICATORS

- During the period of July 1, 2014 – June 30, 2015, First 5 Solano managed over 50 contracts and Memorandums of Understanding for over \$4.9 million, which provided services to approximately 6,000 children and 5,000 parents/guardians.
- In addition, the Commission ran several internal programs including Community Engagement and First 5 Futures. The Commission also offered multiple opportunities for the community to engage in small grants for community engagement events, co-sponsorship of trainings and conferences, grant-writing, and business engagement.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2013/14 ACTUAL	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FIRST 5 SOLANO	4,290,715	4,118,105	4,278,213	160,108	3.9%
TOTAL REVENUES	4,290,715	4,118,105	4,278,213	160,108	3.9%
APPROPRIATIONS					
FIRST 5 SOLANO	5,387,902	6,785,582	6,819,927	34,345	0.5%
TOTAL APPROPRIATIONS	5,387,902	6,785,582	6,819,927	34,345	0.5%
CHANGE IN FUND BALANCE					
FIRST 5 SOLANO	1,097,188	2,667,477	2,541,714	(125,763)	(4.7%)
CHANGE IN FUND BALANCE	1,097,188	2,667,477	2,541,714	(125,763)	(4.7%)
STAFFING					
FIRST 5 SOLANO	7	7	7	0	0.0%
TOTAL STAFFING	7	7	7	0	0.0%

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of \$160,108 or 3.9% in revenues and an increase of \$34,345 or 0.5% in appropriations when compared to the FY2014/15 Adopted Budget. The FY2015/16 Recommended Budget represents a one year extension of the Commission's 2012-2015 Program Investment Plan. The Commission is currently engaged in an 18 month strategic planning process which is expected to conclude December 2015 and will dictate future years funding levels.

As designed, the primary funding source for First 5 Solano (Proposition 10 Tobacco Tax) is declining, but the community demands for services continue to grow. To meet this challenge, the Department continues in its "First 5 Futures" Initiative to

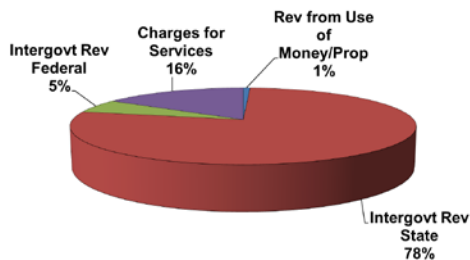
sustain services in the community by replacing up to half of First 5 Solano's revenues with alternative sources of funding from other government and foundation grants and business partnerships. In addition the Commission is highly successful at leveraging efforts bringing in 59 cents for every 41 cents of First 5 Solano funds allocated.

First 5 Solano's primary cost centers are grant-funded initiatives and internally-run programs and services. First 5 Solano funded 3 year contracts for services from FY2012/13-FY2014/15. During FY2014/15, in order to complete strategic planning, the Commission chose to extend the 2012-2015 funding cycle for one additional year, budgeting for over 40 contracts totaling nearly \$5 million in FY2015/16.

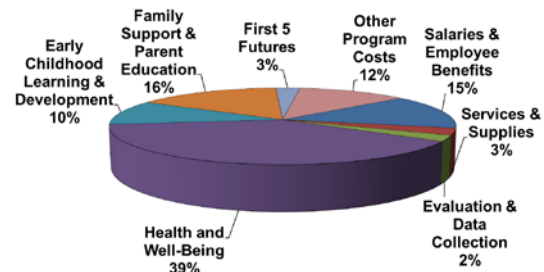
DEPARTMENTS COMMENTS

None.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	44,867	24,849	32,060	7,211	29.0%
INTERGOVERNMENTAL REV STATE	3,506,426	3,246,085	3,311,173	65,088	2.0%
INTERGOVERNMENTAL REV FEDERAL	243,267	241,313	241,313	0	0.0%
CHARGES FOR SERVICES	471,472	605,858	673,667	67,809	11.2%
MISC REVENUE	24,682	0	20,000	20,000	0.0%
TOTAL REVENUES	4,290,715	4,118,105	4,278,213	160,108	3.9%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	895,543	1,047,862	991,671	(56,191)	(5.4%)
SERVICES AND SUPPLIES	139,678	207,195	202,740	(4,455)	(2.2%)
OTHER CHARGES	4,319,891	5,494,730	5,592,720	97,990	1.8%
OTHER FINANCING USES	32,778	35,795	32,796	(2,999)	(8.4%)
INTRA-FUND TRANSFERS	11	0	0	0	0.0%
TOTAL APPROPRIATIONS	5,387,902	6,785,582	6,819,927	34,345	0.5%
CHANGE IN FUND BALANCE	1,097,188	2,667,477	2,541,714	(125,763)	(4.7%)

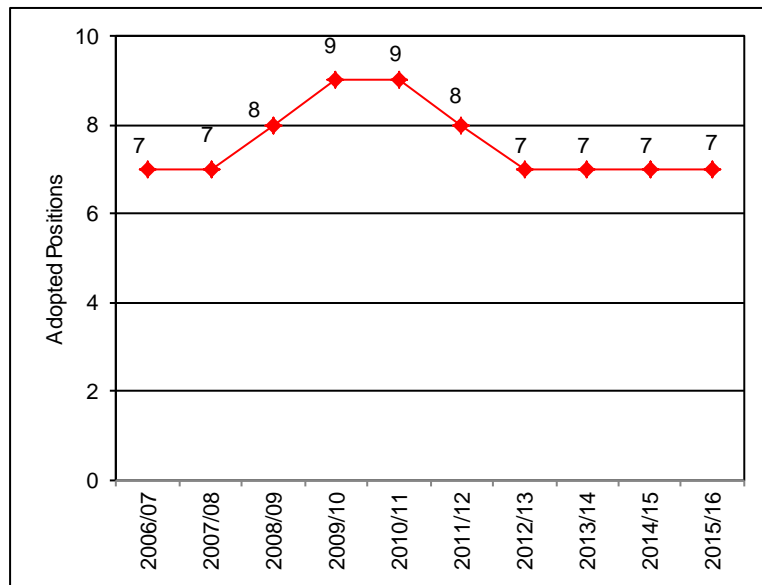
SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2015/16 Recommended Budget is similar to the FY2014/15 Adopted Budget and there are no significant adjustments. However, as designed Proposition 10 Tobacco taxes continue to decline and the Commission has been strategically spending down its reserves based on a Long Term Financial Plan. The Commission is undergoing its strategic planning and will be adjusting its Long Term Financial Plan model in the upcoming fiscal years to create a sustainable funding model.

SUMMARY OF POSITION CHANGES

There are no changes in the positions allocation.

Michele Harris, Executive Director
Health & Public Assistance

STAFFING TREND**PENDING ISSUES AND POLICY CONSIDERATIONS**

Of its \$6.8 million Recommended Budget, First 5 Solano currently holds contracts with H&SS amounting to approximately \$1.5 million annually. Thus, significant changes at the state and federal level to health and social services programs could directly impact First 5 Solano programs.

First 5 Solano is currently engaged in a strategic planning process which is aimed at addressing the significantly declining revenues and reserves. If not addressed through other means, the decrease in funding will have an impact on the amount of direct services available in the community for children ages 0-5. To that end, First 5 Solano is also actively engaged in a collective impact planning process to create partnerships in a common agenda to support young children. These activities are aimed at continuing services and supports for young children despite declining First 5 Solano dollars.

Summary of Other Administered Budgets

1530 – Fund 153-First 5 Solano
Michele Harris, Executive Director
Health & Public Assistance

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2013/14 ACTUAL	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1570 GRANTS/PROGRAMS ADMIN	209,992	797,289	765,289	(32,000)	(4.0%)
APPROPRIATIONS					
1570 GRANTS/PROGRAMS ADMIN	213,054	797,289	765,366	(31,923)	(4.0%)
NET CHANGE					
1570 GRANTS/PROGRAMS ADMIN	(3,061)	0	(77)	(77)	0.0%

A summary of the budgets administered by First 5 Solano is provided on the following pages.

**Michele Harris, Executive Director
Health & Public Assistance**

DEPARTMENTAL PURPOSE

This Budget Unit 1570 was established to track CAO/First 5 Solano's administration, and program cost related to Solano Children's Alliance and has expanded to include other Board of Supervisor approved programs/contributions outside of the scope of First 5 Solano Children and Families Commission such as management of the Family Resource Center contracts.

FUNCTION AND RESPONSIBILITIES

The Solano Children's Alliance (SCA) was formed by the Board of Supervisors in 1982 and charged with advising the Board on children's issues, with the aim of improving the lives of children in Solano County through education, advocacy, coordination of community services and community-based collaborative. In 2013, the Solano Child Abuse Prevention Council (CAPC) was merged with the SCA, and incorporated the CAPC mission of ensuring the safety, well-being, and protection of all children and families in Solano County. The SCA is staffed through a contractual agreement with the Children's Network of Solano County to analyze budgets and policies, make recommendations to local and state leaders, and apportion funds earmarked for local children and families.

This Budget Unit also includes a County Contribution to the Solano Child Care Local Planning Council (LPC), whose mission is to ensure that all families and children in Solano County have access to quality and affordable child care. The LPC is primarily funded by the California Department of Education.

Contributions have also been made since FY2012/13 to support the Baby Coach program, with the ultimate goal of healthy pregnancies and healthy birth outcomes. Baby Coach staff train volunteer coaches to work with high-risk expectant mothers and mothers with infants through pregnancy, delivery and the child's first year with parent education and support and also links mothers to resources in the community.

In addition to the contracts mentioned above, in FY2014/15, CAO/First 5 Solano assumed responsibility for management of a number of Family Resource Center contracts for families with children aged 6-18. These contracts were formerly administered by the Health and Social Services Department. First 5 Solano already manages similar First 5-funded contracts with the same entities for children ages 0-5 to for same/similar purposes – to increase high-risk families' access to county-wide, integrated, and evidence-based family strengthening services to improve family stability, and reduce child abuse and neglect. The contracts for families with children aged 6-18 are jointly funded through Children's Trust fund and contributions from the County General Fund.

Lastly, First 5 Solano participates in the Solano Safety Net Summit on Poverty (SNS) activities, with the goal of reducing poverty by half in ten years. To that end, First 5 Solano acts as a fiscal agent for a grant from the United Way of the Bay Area. Funding supports the SNS Steering Committee, workgroups and anti-poverty events such as the Senior Poverty Summit and Safety Net Summits, as well as other activities related to reducing poverty in Solano and the Bay Area.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Provided safety net services through Family Resource centers to approximately 2000 children and families.

Coordinated Safety Net Summit #8 with nearly 100 participants engaging in local and regional efforts to reduce poverty in Solano and the Bay Area. Supported the second Senior Poverty Summit.

WORKLOAD INDICATORS

Maintain one revenue and nine direct service contracts.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall decrease of \$32,000 or 4.0% in revenues and a decrease of \$31,923 or 4.0% in appropriations when compared to the FY2014/15 Adopted Budget. The decrease in both revenues and appropriations is due to the SCA's reduction in the use of Children's Trust Fund to the Family Resource Centers and the Children's Network/Children's Alliance to address the declining revenue and reserve of this funding stream. The Children's Trust Fund is supported through birth certificate fees and donations which have been declining. The SCA is responsible for making recommendations on the use and appropriation from Children's Trust Fund. In March 2015, the SCA approved an appropriation of \$94,632 for FY2015/16 with the following allocations: \$74,955 to FRCs, \$7,473 for FRC coordination, and \$12,204 for Children's Alliance/CAPC. This represents a \$32,000 decrease in Children's Trust Fund allocation from FY2014/15.

The Recommended Budget includes a General Fund Contribution of \$645,657 which remains the same from FY2014/15. The General Fund Contributions of \$118,750 for the SCA/CAPC, \$439,407 for the FRC contracts, \$25,000 for Baby Coach, \$12,500 for the Local Child Care Planning Council, and \$50,000 for contract management in the FY2015/16 Recommended Budget are the same funding levels as the FY2014/15 Adopted Budget.

See related Budget Unit 9136 – Fund 151 Contingencies (refer to Contingencies section of the Budget).

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	570	0	0	0	0.0%
CHARGES FOR SERVICES	16,332	126,632	94,632	(32,000)	(25.3%)
MISC REVENUE	0	25,000	25,000	0	0.0%
OTHER FINANCING SOURCES	78,613	0	0	0	0.0%
GENERAL FUND CONTRIBUTION	114,477	645,657	645,657	0	0.0%
TOTAL REVENUES	209,992	797,289	765,289	(32,000)	(4.0%)
APPROPRIATIONS					
SERVICES AND SUPPLIES	185,082	0	0	0	0.0%
OTHER CHARGES	27,972	797,289	765,366	(31,923)	(4.0%)
TOTAL APPROPRIATIONS	213,054	797,289	765,366	(31,923)	(4.0%)
NET CHANGE	3,061	0	77	77	0.0%

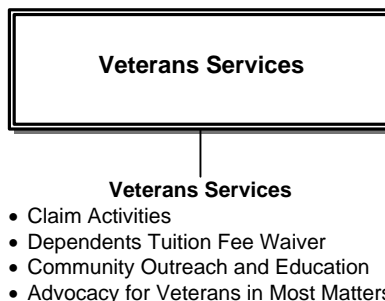
SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Recommended Budget represents an overall decrease of \$32,000 from FY2014/15 in revenues and \$31,923 in appropriations from Children's Trust Fund allocation. The SCA is responsible for making recommendations on the use and appropriation from Children's Trust Fund which has been facing a decline in birth certificate fees and donations. In March 2015, the SCA approved an appropriation of \$94,632 from the Trust Fund for FY2015/16 for the Family Resource Centers and the Children's Network/Children's Alliance which represents a \$32,000 decrease from the previous year.

The General Fund Contribution of \$645,657 for the Family Resource Centers and Coordination, Children's Alliance, Baby Coach, the Local Childcare Planning Council, and contract management remains stable from the FY2014/15 Adopted Budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The Children's Network and the Family Resource Centers receive funding from the County General Fund and Children's Trust Fund. The Children's Trust Fund revenues have been declining over the last few years. One of the responsibilities of the Children's Alliance is to make recommendations regarding the use of the Children's Trust Fund. The FY2015/16 Recommended Budget includes a decrease in the allocation of this funding which may correlate with a commiserate decrease in Family Resource Center services available in the community.



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:

FY2014/15 Third Quarter Projection:	534,468
FY2015/16 Recommended:	520,414
County General Fund Contribution:	277,414
Percent County General Fund Supported:	53.3%
Total Employees (FTEs):	5

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 CVSO 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 for and on behalf of veterans.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Solano County Veteran Service Office over the last year has successfully increased its levels of service and has been rated as the number one office in the state in the veteran participation rate. This participation rate measures the level of veterans that are participating in the compensation and pension process in Solano County. The national level of veterans participating in their veteran's benefits is 17 percent as is the state of California. Solano County is currently at 30.2 percent in the number of veterans taking advantage of the benefits they have earned by serving our county. Solano is number one in the state out of 58 counties. Solano County CVSO is also number one in the state for average new dollars brought into the county through claim filing and awards. The CVSO brought in \$26 million new dollars into the pockets of veterans and dependents by filing 3,945 claims that resulted in an average of \$6,798 per claim during the last reporting period. Again, this ranked Solano County as number one in the State. Keeping existing staffing is essential in maintaining this excellent performance and to keep the Federal dollars flowing into the County.

WORKLOAD INDICATORS

This CVSO work load has increased from an average of 19 veterans per day in 2011 to 46 veterans a day in 2014. To continually serve this population at this higher daily average rate, at its Third Quarter Budget Hearing in May, the Board approved extending the limited-term Veterans Services Counselor position to June 30, 2016 with the anticipation that the CVSO will receive \$113,000 in revenues from the State to fund the position.

Functional Area Summary

5800 – Fund 001-Veterans Services Ted Puntillo, Director of Veterans Services Veterans Services

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2013/14 ACTUAL	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
VETERANS SERVICES	200,822	130,000	243,000	113,000	86.9%
TOTAL REVENUES	200,822	130,000	243,000	113,000	86.9%
APPROPRIATIONS					
VETERANS SERVICES	506,163	440,679	520,414	79,735	18.1%
TOTAL APPROPRIATIONS	506,163	440,679	520,414	79,735	18.1%
NET COUNTY COST					
VETERANS SERVICES	305,341	310,679	277,414	(33,265)	(10.7%)
NET COUNTY COST	305,341	310,679	277,414	(33,265)	(10.7%)
STAFFING					
VETERANS SERVICES	4	4	5	1	25.0%
TOTAL STAFFING	4	4	5	1	25.0%

DEPARTMENTAL BUDGET SUMMARY

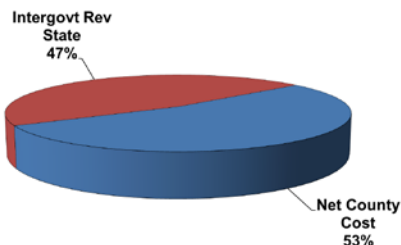
The CVSO is primarily funded by the General Fund. Expenditures are largely due to Salaries and Employee Benefits. Revenues are received from the State through a Subvention program that provides \$2.6 million statewide to help offset costs to the counties for providing services to veterans. This funding is distributed based on individual counties' workload data. Solano County has consistently ranked in the top counties for workload and consequently received Subvention revenues.

The Recommended Budget represents an increase of \$113,000 or 86.9% in revenues, for one-time funding from the state to provide increased veteran services activities and an increase of \$79,735 or 18.1% in appropriations when compared to the FY2014/15 Adopted Budget and includes the Board approved extension of a limited term position funded in part with funds from the State received in FY2014/15 and anticipated in FY2015/16. Other major increases are County overhead that increased \$15,745 over FY2014/15.

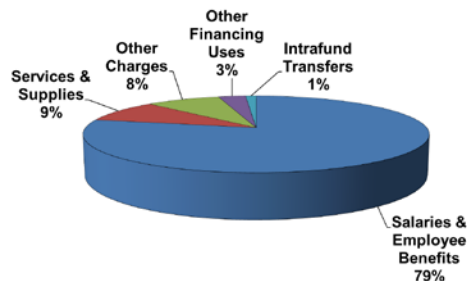
DEPARTMENT COMMENTS

The CVSO has operated with 4 full-time employees since 2011 when it was reduced from six to four employees due to budget deficits. At that time the average walk in traffic was 19 veterans per day. In 2014 the CVSO served an average of 46 veterans per day with a 50 percent increase in claim activity and a 40 percent increase in the amount of money generated for the veterans of Solano County.

SOURCE OF FUNDS



USE OF FUNDS



5800 – Fund 001-Veterans Services
Ted Puntillo, Director of Veterans Services
Veterans Services

Functional Area Summary

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2013/14 ACTUALS	2014/15 ADOPTED BUDGET	2015/16 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	200,822	130,000	243,000	113,000	86.9%
TOTAL REVENUES	200,822	130,000	243,000	113,000	86.9%
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	362,171	344,033	408,558	64,525	18.8%
SERVICES AND SUPPLIES	54,771	50,092	47,550	(2,542)	(5.1%)
OTHER CHARGES	61,646	26,964	42,640	15,676	58.1%
OTHER FINANCING USES	14,178	13,590	15,666	2,076	15.3%
INTRA-FUND TRANSFERS	13,398	6,000	6,000	0	0.0%
TOTAL APPROPRIATIONS	506,163	440,679	520,414	79,735	18.1%
NET COUNTY COST	305,341	310,679	277,414	(33,265)	(10.7%)

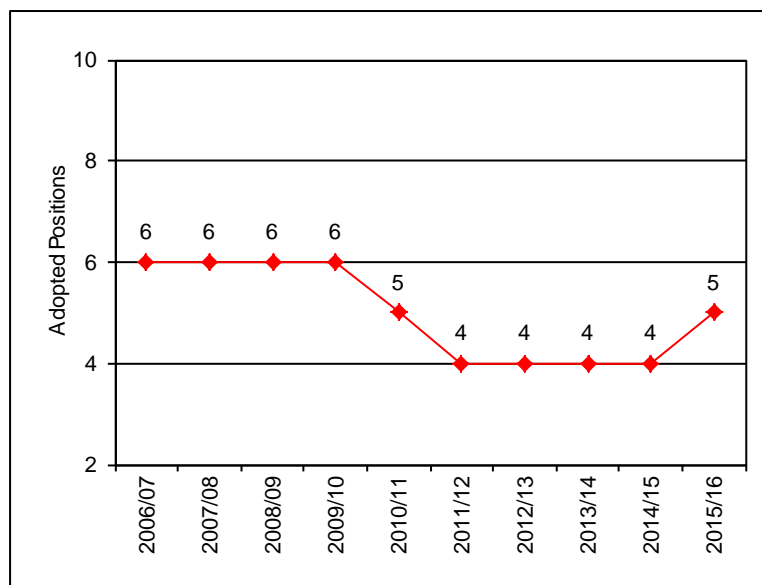
SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

During Third Quarter, May 5, 2015, a limited term Veterans Benefits Counselor position was extended to June 30, 2016 in anticipation of a renewal of one-time funds from the State of California.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

Given the continued increase of veterans served by CVSO, it is important for the County to continue to advocate for more permanent funds for the State of California.