

DEPARTMENTAL PURPOSE

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

Budget Summary:	
FY2011/12 Third Quarter Projection:	256,529,469
FY2012/13 Recommended:	269,005,706
County General Fund Contribution:	21,865,265
Percent County General Fund Supported:	8.1%
Total Employees (FTEs):	1085.85

FUNCTION AND RESPONSIBILITIES

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

- The Administration Division (BU 7501) provides day-to-day operations, management and direction, research, planning and compliance activities, budget and fiscal management, contract management services and business services, recruitment, and departmental training for customer services and special investigations.
- The Behavioral Health Services Division (BU 7780) manages the County’s Mental Health Services, Substance Abuse Services and Mental Health Managed Care programs.
 - Substance Abuse treatment services provide assessment/authorization for outpatient and residential treatment services through community-based contractors. These services are designed to combat alcoholism and other drug addictions for three priority populations, in addition to serving county residents who are Medi-Cal eligible beneficiaries, HIV-infected individuals, and perinatal substance abusers.
 - Mental Health’s services include outpatient treatment, case management, mental health managed care, rehabilitation and community support services to seriously emotionally disturbed or mentally ill children and adults, as well as the

provision of emergency psychiatric services, involuntary hospitalizations (under WIC section 5150 holds), intermediate and long-term psychiatric placement for those most in need of continued support in locked and unlocked settings.

- Additionally, Mental Health Services Act (Prop 63) funding provides for community oriented wrap-around programs, intensive case management for high-risk child and adult clients, and outreach and community engagement. Prop 63 funding enables a variety of early intervention and prevention services, information technology, and supportive housing projects. Working jointly with Public Health Division, the Behavioral Health Division has embarked on extensive integrative projects to ensure optimal client care and to prepare for Health Care reform. As the source of treatment of last resort, the Behavioral Health Division serves both Medi-Cal eligible and indigent clients.
- The Social Services Division (BU 7680) oversees the following programs: Employment and Eligibility Services (E&ES), Welfare Administration (WA), CARES Child Welfare Services (CWS), CARES Older and Disabled Adults Services (ODAS), and Public Guardian.
 - Employment and Eligibility Services promotes self-sufficiency by assisting low-income families and individuals with obtaining employment, access to health care, food and cash assistance.
 - Welfare Administration ensures program integrity through comprehensive investigations of fraud allegations in social services programs, the collection of debts, and the timely hearing of appeals.
 - CARES Child Welfare Services protects children from abuse, neglect, and provides programs to strengthen families. When this is not possible, CWS finds safe, permanent homes for children so they may grow into healthy, productive adults.
 - CARES - Older and Disabled Adult Services focuses on comprehensive, integrated assistance for older and disabled adults, including domestic and personal in-home services, the investigation and prevention of elder abuse and neglect, and assistance accessing Medi-Cal, CalFresh and cash assistance programs. The Public Guardian's Office was consolidated with ODAS in 2011. The Public Guardian 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.
- Public Assistance Programs Division (BU 7900) administers Federal, State and County funding for all of the welfare cash assistance programs administered by H&SS. Programs include CalWORKs, Refugee Resettlement, Adoptions Assistance, Foster Care Placements, In-Home Supportive Services (IHSS), General Assistance (GA), Care of Court Wards and Special Circumstances. H&SS also administers the CalFresh program; however, costs of the CalFresh benefit are federally-funded, and are not included in the County budget.
- The Health Services Division (BU 7880) controls the budgets for Public Health, Family Health and the Medical Services. The Public Health Division provides mandated community health services to promote a healthy environment for all county residents. These services include: emergency medical services (EMS); public health laboratory testing; public health nursing; home visiting; emergency preparedness; communicable disease surveillance; Maternal, Child and Adolescent Health programs (including Baby First; Women, Infant and Children's (WIC) program); general nutrition services; and health education and promotion activities. Family Health Services operates 2 primary care clinics, 2 adult mental health (integrated care) clinics, 1 dental clinic, dental services at WIC clinics, and has recently started offering mobile dental services. The Medical Services budget provides funds for the County's medically indigent adult services through participation in the County Medical Services Program (CMSP).

Functional Area Summary

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

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
PROGRAM REVENUE	200,503,504	212,858,735	209,640,302	(3,218,433)	(2%)
REALIGNMENT	33,512,609	33,524,913	37,500,139	3,975,226	12%
GENERAL FUND CONTRIBUTION	28,079,810	25,503,020	21,865,265	(3,637,755)	(14%)
TOTAL REVENUES	262,095,923	271,886,668	269,005,706	(2,880,962)	(1%)
APPROPRIATIONS					
ADMINISTRATION DIVISION	5,938,533	5,280,524	6,257,900	977,376	19%
SOCIAL SERVICES DEPARTMENT	85,120,709	86,382,547	83,239,369	(3,143,178)	(4%)
IN-HOME SUPPORTIVE SERVICES PA	503,268	553,412	549,043	(4,369)	(1%)
BEHAVIORAL HEALTH	55,945,331	57,140,466	58,295,087	1,154,621	2%
PUBLIC HEALTH DIVISION	0	0	0	0	0%
HEALTH SERVICES	49,301,017	53,328,217	60,287,313	6,959,096	13%
ASSISTANCE PROGRAMS	65,287,064	69,201,502	60,376,994	(8,824,508)	(13%)
TOTAL APPROPRIATIONS	262,095,923	271,886,668	269,005,706	(2,880,962)	(1%)

STAFFING					
ADMINISTRATION DIVISION	81.00	74.50	70.00	-4.50	-6 %
SOCIAL SERVICES DEPARTMENT	557.00	535.80	560.55	24.75	5 %
IN-HOME SUPPORTIVE SERVICES PA	4.00	3.75	3.75	0.00	0 %
BEHAVIORAL HEALTH	220.05	185.15	160.00	-25.15	-14 %
PUBLIC HEALTH DIVISION	0.00	0.00	0.00	0.00	%
HEALTH SERVICES	227.8	232.80	291.55	58.75	25 %
ASSISTANCE PROGRAMS	0	0.00	0.00	0.00	5 %
TOTAL STAFFING	1089.85	1032.00	1085.85	53.85	5 %

DEPARTMENTAL BUDGET SUMMARY

The FY2012/13 Recommended Budget for the Department of Health and Social Services of \$269,005,706 represents overall decreases of \$2,880,962, or 1%, in both, Revenues and Appropriations when compared to the FY2011/12 Adopted Budget. The County General Fund Contribution of \$21,865,265 represents a decrease of \$3,637,755, or 14%, which consists of a \$2,483,732 reduction in County General Fund support for Health and Social Services programs, and a \$1,154,023 reduction in County General Fund support for Public Assistance programs (each described further in effected individual division budgets).

The primary funding sources for H&SS are Federal and State Program revenues, 1991 State-Local Realignment, and County General Fund contribution for Maintenance of Effort (MOE) and required matches for Board-approved programs. State revenues for Social Services, Mental Health and Substance Abuse programs are now part of the State’s 2011 Realignment discussed below.

Program Revenue

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

County overhead and Departmental administrative costs are distributed to all programs in H&SS and included in each program’s budget. These administrative costs include fixed operational expenses such as utilities, DoIT and County Administrative Overhead (A-87) charges, and are incorporated in claims for Federal/State claims for actual cost reimbursement and in H&SS’ billing rates. As a result, the majority of revenues received by H&SS include reimbursement for both the direct costs associated

with the individual employee providing the specific service as well as Department administrative costs and indirect charges from other County Departments providing support services to H&SS programs. While the County receives an “allocation” from the State for many of the H&SS programs, the amount of actual revenue received is dependent upon the actual cost of providing the services, which is primarily driven by the costs of labor. Reimbursement rates and funding methodologies vary by program and are outlined below by cost centers.

1991 Realignment

1991 Realignment is the second major funding source for H&SS’ programs. State funding for the 1991 Realignment comes from a fixed percentage of sales tax and VLF revenues, and distributed to counties based on formulas established in 1991. Funds are designated for specified programs, which in general are federally-funded, and in which both the State and the County share the “local” costs and draw down Federal matching Funds. The 1991 Realignment replaced a portion of the State funding for several programs, and also changed the State/County sharing ratios. Because Realignment revenues are generated by sales taxes and VLF, they fluctuate with economic conditions and have substantially declined from \$41.7 million in FY2008/09 to the estimated \$36.8 million for FY2012/13.

1991 Realignment funds are divided into three accounts:

- **Health Services:** the FY2012/13 budget reflects a continued reduction in funding, due to a decline in VLF revenues which are the primary funding source of funding for Health Services. Since the County is required to utilize a fixed portion of the Health Realignment funding (amounting to \$ 6.8 million) for the County Medical Services Program (CMSP), the balance available to support Health programs is reduced by approximately \$253,500 when compared the Adopted FY2011/12 Budget.
- **Social Services:** the FY 2012/13 budget reflects an additional \$752,564 estimated for 1991 Realignment revenue, which is entirely offset by an equal reduction in County General Fund in order to meet the Department’s County General Fund reduction target of \$3 million.
- **Mental Health:** The FY2012/13 budget includes an increase of approximately \$673,000, based on FY2011/12 estimated actuals. Under the 2011 Realignment, the mental health portion of the 1991 Realignment funds have been shifted to pay the County’s increased share of costs for the CalWORKs assistance programs (approximately \$10 million). The State is required to fully replace the 1991 Realignment funds shifted from Mental Health to CalWORKs. The State use of Proposition 63 funds was only authorized for one year, and the source of funding for FY2012/13 is uncertain.

2011 Realignment

Most of the discussion related to the State’s 2011 Public Safety Realignment legislation has been focused on the programmatic and financial impacts on the County’s public safety departments; however, more than half of the \$6.3 billion 2011 Realignment funding package for FY2011/12 was related to human services programs. These programs include: Mental Health services for adults and children, including the shift of responsibility for AB 3632 services from counties to schools; Substance Abuse treatment programs, Foster Care, Child Welfare Services (including Children’s Protective Services), Adult Protective Services, and CalWORKs Assistance. The fiscal benefit to the State derived from the 2011 Realignment was the re-direction of sales tax revenues into a newly created Local Revenue Fund, thereby reducing the amount of revenues included for the purpose of calculating the Proposition 98 funding for schools.

For human services programs, the amount of sales tax shifted, and the distribution formulas were structured to fund counties at the same levels as prior years, thus mitigating the immediate impact. However, with the exception of the CalWORKs assistance programs, the 2011 Realignment essentially shifted the remaining State share of federally-funded programs to counties. The State has distributed the redirected funds to counties based on prior year expenditures and caseload increases, much the same as the former allocation methodology; unspent funds will be redirected based upon actual expenditures, and it is anticipated that counties will be held harmless. In the past, the State would determine the estimated program cost annually. The legislature would allocate the State’s percentage share of the total program cost, and counties would budget the local share based upon the State’s allocation.

Under the 2011 Realignment, the State allocation is replaced with the redirected sales tax, to fund the State’s former share of program costs. In FY2011/12, the overall revenue available may exceed the original estimates and may provide more State funding for these programs. However, the distribution formulas for FY2012/13 have not yet been determined, and the State is

working closely with the counties to ensure a fair and equitable distribution of funds. Nevertheless, due to the nature of sales tax revenue fluctuations, this source of funding may not be sufficient to cover program needs in future years.

Due to the State's continuing budget crisis, funding allocations for human services have not kept up with the costs, and these programs have been underfunded for many years. Under the 2011 Realignment, programs will have a dedicated source of revenue, and will not be subject to the annual budget process and fixed allocations. The May Revise projects a 5 percent increase in 2011 Realignment revenues for human services programs for FY2012/13, the first increase in State funding in many years. Federal matching funds for these programs will be augmented as well. The Recommended Budget includes approximately \$24 million in 2011 Realignment funding, based upon the third quarter projections of actual revenues.

As a result of the 2011 Realignment, the State no longer allocates State General Funds for these programs, which has impacted the State-County relationship for administration of human services programs, notably:

- The Mental Health Division in Solano County has a unique arrangement for state funding of managed care mental health services for Medi-Cal recipients. Since 1993, the State has contracted with Partnership HealthPlan of California (PHC), the local Medical Managed Care Organization, for mental health services for adult Medi-Cal recipients. PHC has subcontracted these services to H&SS Mental Health Division and Kaiser Permanente. The County's fiscal arrangement with PHC is also unique, and is based upon a per/member/per month capitation: other counties in California receive an annual allocation of State General fund for these purposes. However, funding for this program is now realigned to counties, and the State will no longer be able to contract through PHC. Consequently, the County will be no longer subcontract with PHC. Since Solano has not received an annual allocation from the State in many years, the amount of future funding available for mental health services for adult Medi-Cal clients is unknown. The FY2012/13 Recommended Budget maintains funding at the FY2011/12 level, approximately \$4 million in revenues, which includes both State and Federal funding. This represents only a portion of the Medi-Cal revenue for mental health adult services included in the H&SS budget annually, which is reimbursed at 50% of costs. In order to limit the State's cost related to county-provided services, the State has traditionally set a maximum allowable reimbursement rate per encounter and service unit type, regardless of actual costs, which is substantially lower than the federally approved rate. With the passage of AB 1297, counties will be able to claim actual costs up to the federal limits. The new maximum reimbursement rate without the State cap has not yet been determined. The resulting increase in revenue has therefore not been included in the FY12/13 Recommended Budget. As a result of 2011 Realignment, EPSDT Funds will be paid directly to each county in their Behavioral Health Sub-account. One possible benefit of this will be that the local county match is likely to decrease, however, is that EPSDT funds will no longer be matched by the State above and beyond the amount set aside for each County in their Behavioral Health sub-account. Yet, since this is an entitlement program, the level of service is mandated, and service utilization may exceed the allocated realignment funds dedicated to this entitlement program.
- Substance Abuse Treatment Services - All State funding for substance abuse has been realigned in 2011, including Drug Medi-Cal programs. Unlike mental health services, the County does not have a required share of cost for Drug Medi-Cal services; however, the County is reimbursed up to the State's maximum rate, regardless of actual costs. H&SS contracts for most substance abuse services at the allowed Drug Medi-Cal rate which has limited County General Fund cost. The County is now responsible for direct service contracts formerly held by the State, including methadone treatment. The Department is consequently being invoiced for these State-contracted services. Once payment is made, the State will draw down the Federal matching funds and pass these through to the Counties. In the past, the County has opted out of providing methadone treatment services; it is unknown whether or not the County will be required to directly contract for these services in the future. The 2011 Realignment funds are anticipated to be sufficient to cover the costs of the non-federal share for substance abuse treatment services, based upon estimated revenues and current service levels. H&SS implemented a managed care model for substance abuse treatment services, under which County staff provide client assessments, and authorization for services. This model allows the County to control overall costs to the greatest extent possible for this entitlement program.
- Social Services - The majority of State General Fund has been replaced with 2011 Realignment dedicated sales tax. In the past, the State would determine an allocation for each county annually. For Child Welfare Services, the distribution formula had not been modified since the 1991 Realignment. The State's overall funding level has been stagnant since 2002 and is insufficient to fully fund the State's own estimate based upon a workload study conducted more than five years ago. Further, the State significantly reduced funding for Child Welfare Services in FY 2010/11, which resulted in a proportionate

reduction in Federal funding. In FY 2011/12, the State indicated their intent to essentially fund counties at the same level as would have been received under the allocation process prior to 2011. The Recommended Budget includes revenues based upon current year estimated actuals, representing a small increase over the prior year. Solano County's allocation has been historically low compared to other counties of like size and demographics. It is possible that distribution formulas for the 2011 Realignment revenue could rectify this situation, and help to restore the reductions in both State and county funding for CWS, along with the proportionate loss of Federal matching funds.

- Cal Works Assistance – the 2011 Realignment shifted the 1991 Mental Health Realignment funds to pay for an increase in County share of CalWORKs assistance cost. Referred to as the CalWORKs Maintenance of Effort (MOE) in the 2011 Realignment legislation, the County's obligation is limited to the amount actually received. It should be noted that this is separate and apart from the existing \$1.9 million County MOE for CalWORKs administration. That remains unchanged.

County General Fund Contributions

The FY2012/13 Recommended Budget includes a County General Fund contribution to H&SS in the amount of \$21,865,265, which is a decrease of \$3,637,755 compared to the FY2011/12 Adopted Budget. The \$3.6 million reduction to Health and Social Services is comprised of two distinct amounts listed below:

- H&SS Programs: decreased by \$2,483,732, from \$14,524,393 to \$12,040,661, as part of countywide General Fund Reduction Strategy.
- Assistance Programs, which include General Assistance, Foster Care and IHSS wages, decreased by \$1,154,023, from \$10,978,627 to \$9,824,604, mainly due to projected decreases in caseloads and State changes in eligibility rules.

The County General Fund support of \$12,040,661 is appropriated for programs within H&SS as follows:

- \$3,063,409 for required Maintenance of Effort for Public Health, CalWORKs Administration, Adult Protective Services, California Children's Services, and Mental Health.
- \$2,219,943 million in mandatory match payments for Federal/State programs for Child Welfare Services, Foster Care Administration, IHSS Administration, and Mental Health Administration.
- \$2,223,584 used to fund some programs at the minimal level necessary. These programs include the Public Health Laboratory, Public Guardian, General Assistance Eligibility determination and administration, Public Health Nursing. In most cases, however, these programs are supplemented by outside sources of funding, including competitive grants, Medi-Cal Administrative claiming etc.
- \$1,722,208 for principal payments related to debt service (facilities) that is not claimable.
- \$1,688,614 for psychiatric inpatient services (mandated).
- \$809,548 for CMSP Participation Fee; in addition to the County match, \$6.8 million of H&SS 1991 Realignment is also mandated for the County to participate in the CMSP program.
- \$252,475 in contributions to other agencies, non-profits (non-contractual services).
- \$60,880 for matching funds for non-county agencies (Child Care Coordinating Council and Area Agency on Aging).

Fixed assets in the amount of \$1,081,240 are included in the FY2012/13 Recommended Budget and consist of the following:

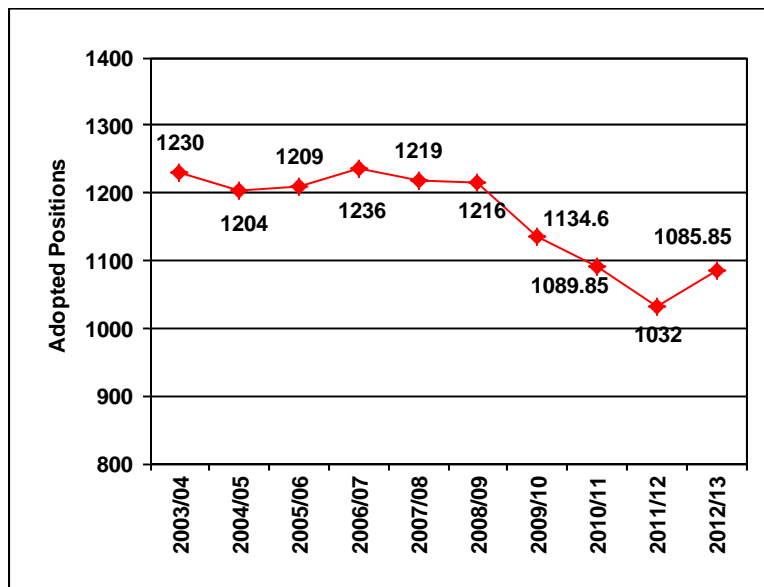
- Behavioral Health: \$500,000 for building improvements at 2101 Courage Drive and \$60,000 for computer equipment associated with the Electronic Health Record (EHR) system. The Psychiatric Health Facility (PHF), located at 2101 Courage Dr., closed at the end of 2010. H&SS has been using other psychiatric hospitals for necessary residential placements. However, due to the pressing need for a locked crisis receiving center operating throughout the day, H&SS will be renovating the 2101 Courage drive facility, which is rated I-3 for inpatient use, and can therefore be used as a locked receiving center for the mentally ill consumer in crisis, up to 23 hours. Additionally, Children's Mental Health services were relocated from rented space at Enterprise Drive in March, 2012 to save lease payments and maximize the use of existing county-owned space.

- Health Services: includes \$441,736, of which \$ 161,063 is for the purchase of a primary care van; \$153,000 to purchase equipment for the Public Health Lab and the new clinics; \$35,000 for computer equipment for the new clinics; and \$ 92,673 related to the implementation of Electronic Health Records in the health clinics.
- Social Services: includes \$79,504, of which \$57,450 is for electronic court noticing system to improve communication and efficiency between Child Welfare Services and the Courts; \$10,000 for an Interactive Voice Response system for ODAS programs; and \$12,054 for automated numbering system to be used in Eligibility program waiting areas.

DEPARTMENT COMMENTS

None.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

The Governor’s May 2012 Revised Budget includes a number of items which are likely to once again impact the H&SS budget. Most of the funding reductions outlined in the May Revise were already included in the Governor’s Proposed Budget, released in January 2012. The legislature has rejected nearly all of the funding reductions that could impact H&SS. The significant pending issues are:

- Given that the State under 2011 Realignment will no longer be able to contract with PHC for services, since the legislation effectively transferred the State funding for mental health services to the counties via the increase in sales tax. The 2011 Realignment funding, along with the 1991 Realignment funding (temporarily replaced with Proposition 63 Mental Health Services Act funds) and County General Fund support, will provide the local match to draw down Federal matching funds for services providing to Medi-Cal clients. As in the past, the County will be responsible to provide and pay for indigent care under WIC section 17000, either through CMSP or the provision of direct services. H&SS has had preliminary discussions with the State and PHC on transitioning to the new contractual arrangements, effective July 1, 2012. At this time, it is unknown how the State will determine the allocation for Solano County. There are a number of variables pending which make it difficult to determine the ultimate impact. Currently the County Recommended Budget is proposed a status quo funding level.
- The H&SS Family Health Services primary care, dental, and integrated behavioral health care clinics are “Federally Qualified Health Centers” (FQHC), and payment for services provided to Medi-Cal clients are based upon actual costs, and generally exceed the normal fee for service rates, as well as the managed care capitated payment rates. The

County is paid a flat rate per billable visit. There are restrictions on the types of providers as well as limitations on visits, but the revenue received is greater than would otherwise be received from Medi-Cal. The State has proposed switching the FQHC reimbursement to a managed care capitated model, rather than fee for service which may affect revenues. The State also proposes to loosen some of the restrictions, such as limiting the provider types that can bill. H&SS has considerable experience operating in a managed care model, and still contracts on a per-member/per-month basis with PHC for primary care. However, since the State's goal is to reduce spending on FQHC payments, it is highly likely that the capitated payment will be set at an amount lower than the current cost-reimbursement model. Without any information regarding the setting of the rates, or the rules, it is not possible to determine the impact of this change. The Department has just completed installing Phase 1 of the new Negev primary care billing system in the clinics; however, this proposed change will require modification of the billing systems and revenue forecasting tools.

- The Governor's May 2012 Revised Budget assumes that the In-Home Supportive Services (IHSS) caseload will continue to be stagnant and will not increase more than 1.7% statewide, and Solano County caseload projections are similar to the statewide assumptions. The May Revise proposals primarily impact the IHSS recipients and service providers. The budget now proposes a 7% across-the-board cut to service hours in FY 2012/13. Because it replaces a 3.6% reduction that expires on June 30, 2012. The new proposal represents a net additional decrease of 3.4% over the current level of reductions. The FY2012/13 County budget for provider wages does not assume this additional 3.4% decrease to provider hours. If implemented, County General Fund savings may be generated by reduced required General Fund match.
- The Governor's May 2012 Revised Budget maintains the proposal to eliminate from IHSS Domestic and Related Services to certain recipients who are living with others in a shared-housing situation effective October 1, 2012. This change is not factored into the H&SS' FY2012/13 budget and if implemented by the State would generate savings for the County General Fund by reducing required match through reduced hours. There are exceptions allowed for households consisting entirely of IHSS recipients and for IHSS recipients whose need cannot be met by a household member due to a Medically-verified condition. These exceptions make it difficult to estimate any potential savings should this proposal be implemented. For children receiving IHSS benefits and living with their parent(s), domestic and related services would no longer be allowed under any circumstance. Moreover, the Coordinated Care Initiative proposes to integrate the IHSS program into a Managed Care model for service delivery with pilot projects are scheduled to start in March 2013 in a few Counties. If this initiative were to be expanded to all counties, it will make significant changes to the delivery of IHSS services in Solano County.
- The Governor's May 2012 Revised Budget continues to include the same grant cuts, and significant and complicated programmatic redesign of CalWORKs as was seen in his January proposal, with several policy changes to the redesign. The impact of these changes primarily impacts the CalWORKs recipients, and the change in proposed State General Fund savings from the January proposal is relatively small. Significant changes in program design from the January proposals include: a) additional allowable activities for meeting work participation requirements after the first 24 months on aid, in addition to unsubsidized employment; b) the temporary exemptions from work participation for families with a young child are extended through September 2012, and these families will have a one year re-engagement phase-in process starting October 2012; and c) a 60-day transition period will be allowed for families moving between the different CalWORKs programs (CalWORKs Basic, CalWORKs Plus, Child Maintenance).

Summary of Other Administered Budgets

**7500 – Fund 902-H&SS-Department Summary
Patrick Duterte, Director of Health & Social Services
Health**

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2010/11 ACTUAL	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	2,663,612	2,753,453	2,665,400	(88,053)	(3) %
7950 TOBACCO PREVENTION & EDUCATION	190,410	224,413	290,720	66,307	30 %
APPROPRIATIONS					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	2,663,611	2,753,453	2,665,400	(88,053)	(3) %
7950 TOBACCO PREVENTION & EDUCATION	178,476	224,413	290,720	66,307	30 %
NET CHANGE					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	0	0	0	0	0 %
7950 TOBACCO PREVENTION & EDUCATION	11,934	0	0	0	0 %

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

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITY

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Due to funding reductions from Federal, State, and County sources administration costs have been reduced proportionally in the past three years. In addition, H&SS Administration works closely with County internal service departments whose resources have been diminished by funding cuts to prioritize and address various H&SS administrative needs. The use of new available information technology, once implemented will further automate the process of purchasing and time sheet reporting, increase utilization of available spaces through office use scheduling, and further accelerate hiring processes for those positions that earn County-needed revenue.

While the economic downturn forces resource reductions, H&SS Administration is engaged in maximizing revenues and securing new funding to sustain services. For example, the Division is responsible for negotiating with the State Department of Healthcare Services (DHCS) on an Intergovernmental Transfer (IGT) which will bring about \$5.8 million in new revenue to Behavioral Health Services.

WORKLOAD INDICATORS

- During the period of January 2011 through December 2012, processed more than 550 contracts, amendments and Request for Proposals within required time constraints.
- Collaborated with Human Resources to hold the vacancy rate at 6.06% of position requisitions to support continuity of services.
- Received second year of competitive funding for the Solano Second Chance Act Grant "Women's Reentry Achievement Program" serving 160 women who re-enter into our community annually. Using evidence based- practices the program achieved an 8.8% recidivism rate for clients at high risk for recidivism compared to a State-wide 46 percent recidivism rate.

DEPARTMENTAL SUMMARY

The Recommended Budget for Administration of \$6,257,900 represents overall increases of \$977,376, or 18%, in both Revenues and Appropriations when compared to the FY2011/12 Adopted Budget, with no change to the County General Fund Contribution of \$2,022,783.

The primary sources of funding for Administration include Intra-Fund Transfers representing reimbursement of allowable administrative costs from various HSS program divisions; administrative fees related to the oversight and coordination of the Medi-Cal Administration Activities and Targeted Case Management Programs on behalf of participating H&SS divisions, other County departments and community-based organizations; Operating Transfers-In to fund Board-approved contribution to community clinics; and General Fund Contribution primarily used to fund debt service costs and Board-approved contributions to other non-County agencies . An A-87 Administration Overhead credit is also accounted for as part of Administration revenues, under the Charges for Services category.

Summary of Other Administered Budgets

**7501 – Fund 902-H&SS Administration
Patrick Duterte, Director of Health & Social Services
Public Assistance**

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Fines, Forfeitures, & Penalty	53,597	0	0	0	0%
Revenue From Use of Money/Prop	242,011	200,000	176,873	(23,127)	(12%)
Intergovernmental Rev State	0	0	73,447	73,447	0%
Intergovernmental Rev Federal	2,910,655	2,197,595	2,260,591	62,996	3%
Charges For Services	396,201	445,396	1,389,396	944,000	212%
Misc Revenue	25,971	0	0	0	0%
Other Financing Sources	0	414,750	334,810	(79,940)	(19%)
General Fund Contribution	2,251,909	2,022,783	2,022,783	0	0%
TOTAL REVENUES	5,880,345	5,280,524	6,257,900	977,376	19%
APPROPRIATIONS					
Salaries and Employee Benefits	7,541,804	7,605,651	7,281,706	(323,945)	(4%)
Services and Supplies	4,798,690	4,443,094	4,336,778	(106,316)	(2%)
Other Charges	1,300,554	1,348,297	1,638,915	290,618	22%
Other Financing Uses	2,186,515	2,235,059	2,085,155	(149,904)	(7%)
Intra-Fund Transfers	(9,889,030)	(10,351,577)	(9,084,654)	1,266,923	(12%)
TOTAL APPROPRIATIONS	5,938,533	5,280,524	6,257,900	977,376	19%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The net increase of \$977,376 in Revenues is primarily due to a credit of \$1,235,775 in the A-87 Administration Overhead for FY2012/13 compared to \$297,757 in the FY2011/12 Adopted Budget. The A-87 credit is primarily attributed to a roll-over of central services charges for FY2010/11 such as, facilities, grounds keeping, and custodial direct-billed to H&SS at a higher than actual cost.

The net increase of \$977,376 in Appropriations is primarily due to the following:

- A decrease of \$390,500 in labor cost primarily due to lower benefits costs following changes in labor costs. The requested budget assumes a 3.2% salary savings rate.
- A \$106,316 decrease primarily due to cost reductions in equipment maintenance, books and subscriptions, other professional services, DoIT costs, rents, and leases
- A \$290,618 increase due to an increase in direct charges from the Auditor-Controller's Office of \$154,485 for H&SS' share of the cost of a 1.0 FTE Account Clerk performing centralized special leave processing functions and a 1.0 FTE Accountant Auditor position performing internal audits of H&SS' programs; and General Services Department's charges of \$180,600 for the costs of a 1.0 FTE Building Trades Mechanic and other central services.
- A \$149,904 decrease in other financing uses primarily due to a decrease in Administration's share of debt service cost of \$83,348.
- A \$1,266,923 increase in Intra-Fund Transfers is primarily due a reduction in administration costs reimbursed from H&SS program divisions.

SUMMARY OF POSITION CHANGES

The Recommended Budget for FY2012/13 also includes the deletion of: a 1.0 FTE Office Assistant II position a 1.0 FTE Accounting Technician position being reduced due to the centralization of special leave processing functions within the Auditor's Office, and a 1.0 FTE Account Clerk II being moved to Health Services to provide Medical billing support, as part of the County General Fund reductions in Health and Social Services for FY2012/13.

PENDING ISSUES AND POLICY CONSIDERATIONS

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

times and the associated political realities at the State. Recent County-wide efficiencies in space allocations, reductions in leases, and client self-service, have assisted to stabilize the Administration Division's expenses. The implementation of two major health records systems creates a significant and urgent need for the Division to evaluate the appropriateness of the staffing structure and mix for the Patient Billing and Claiming Unit. As the implementation of these systems proceeds, there is a need to ensure that this Unit meets the specialized demands and complexities of Medical billing, reporting, and compliance in H&SS' primary care and behavioral health programs.

DEPARTMENTAL PURPOSE

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

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

FUNCTION AND RESPONSIBILITY

The Mental Health Division provides the following services:

- Managed-care services, treatment, and rehabilitation and community-support services to Seriously Emotionally Disturbed (SED) children and Seriously Mentally Ill (SMI) adults.
- Cost-effective services that promote self-reliance and safeguard the physical, emotional, mental and social well-being of Solano residents.
- The provision of quality assurance, utilization management, beneficiary problem resolution, authorization and denial of services, maintenance of financial records, policies and procedures, and assuring cultural competency in the provision of services.

Substance Abuse Services provide prevention, intervention, treatment and recovery services for Alcoholism, Tobacco, and Other Drugs (ATOD) addictions. Youth, adults, probationers and parolees are served by the Substance Abuse which offers the following services:

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Solano County Mental Health continues to experience high rates of hospitalization and needs for the placement of the mentally ill in Institutes for Mental Disease. In order to reduce these rates, a Crisis Stabilization unit is planned to open in Fall 2012, expands a contracted intensive service program, and increased attention to concurrent review of hospitalization and placement discharge. Hospitalizations are the highest and most restrictive level of care consumers may need, and thus, require significant resources.

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- Due to funding reductions, Seriously Mentally Ill (SMI) adults seeking a medication appointment may wait from 1 day (urgent), to 6 weeks (non-urgent). Children's services continue to serve Medi-Cal clients and their families who face severe emotional illness, despite no longer being responsible to serve AB3632 (Special Education Pupils Program) students.
- To provide greater efficiencies, enhance integration, and address co-occurring issues, clinical substance abuse services were merged into the Mental Health Division during FY2011/12 while substance abuse prevention and HIV services merged into the Public Health Division. Adult Psychiatry services continue to be offered and expanded as a result of the enhanced Federal reimbursement available under the Federally Qualified Health Center (FQHC) model. The redesign of these services allows Solano County to provide care for mentally ill adults under a model that addresses both their mental health and primary care needs. The average life span of the severely mentally ill adult is ~55 years, nearly 25 years less than the average adult without mental illness. The integration of primary care with psychiatry, complemented with a broad array of rehabilitative services, has been shown to improve the health and well-being of the mentally ill consumer and lower emergency Medical and psychiatric costs.
- The Substance Abuse Division offers an evidence-based program (Matrix) to Solano County residents who are waiting to participate in weekly groups for treatment. The program is more extensive and valuable than what is minimally required by the program's principal federal funding source. Program materials are available at no cost to the County General Fund. The result is that clients are better prepared to take advantage of treatment when placed with a contracted provider. These services are becoming increasingly important as wait times increase.
- H&SS actively participated in the 2011 Public Safety Realignment Act (AB109) Implementation Plan and made recommendations on how substance abuse and mental health services should be provided to this population. On January 10, 2012, the Board of Supervisors approved funding for two Limited Term mental health positions and substance abuse services (1.0 FTE MH Clinician and 1.0 FTE MH Specialist II) to support the re-entry of this population in the community. Program planning continues to accurately assess the overall needs of the population based on observation and experience in our community. With this planning, Solano County can carefully tailor its program services based on modes that are promising or best practices known to address both criminogenic and treatment needs.
- Mental Health Services Act (MHSA, Proposition 63) 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 by Latino's and other 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.

WORKLOAD INDICATORS

During the period of July 1, 2010 through June 30, 2011:

- Solano County Mental Health provided mental health services to approximately 5,027 seriously mentally ill adults and seriously emotionally disturbed children for a total of 106,062 contracts. The services were provided through County Programs, Contract Programs and the Managed Care Provider Network.
- Solano County Mental Health Mobile Crisis unit provides crisis services to about 1,109 consumers.
- Psychiatric hospitalizations rose to 971 during this period.
- Substance Abuse Services opened 626 new adult client cases.
- Currently, contracted outpatient Substance Abuse programs are serving an average of 104 clients in treatment per month and residential programs are averaging 36 clients per month.
- Currently, general substance abuse clients are waiting approximately 60 days for Substance Abuse outpatient treatment and up to 120 days for residential treatment.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for Behavioral Health of \$58,295,087 reflects overall increases of \$1,154,621 or 2.0%, in Revenues and Appropriations when compared to the FY2011/12 Adopted Budget. The County General Fund contribution of \$2,811,654 has been reduced by \$876,000 as part of the County General Fund reduction strategy.

The primary funding sources for Behavioral Health are federal, state, and realignment revenues. In 2011, state general fund money for children's mental health services, substance abuse treatment services, drug court activities, and substance abuse Drug Medi-Cal were realigned from State to the local level. This 2011 Realignment, coupled with the 1991 Realignment, makes realignment funding for behavioral health services the major funding source. As details on realignment funding for FY2012/2013 are currently unknown, the Recommended Budget assumes that the current funding of 2011 Realignment will continue into FY2012/13.

State funding from the State Mental Health Services Act (MHSA) and federal revenues also provide a main source of funding 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 funds 50% of adult and children's mental health services for Medi-Cal recipients as well as providing reimbursement for substance abuse Drug Medi-Cal (DMC) services. Billing for mental health services is done on a cost per unit basis and traditionally up to a Statewide Maximum Allowances (SMA) rate. In October 2011, Governor Brown signed AB1297 which eliminates California's use of administratively-established SMAs for federal reimbursement for mental health services. 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 the SMA rate. The State is still in negotiations with the federal government on the claiming protocol so billing at actual eligible costs for services has not begun. The Department anticipates it will receive federal revenue based on actual eligible costs in FY2012/13 and has increased its revenue projection to reflect the additional Federal revenue.

Federal revenues for Substance Abuse services primarily changed for FY2012/13 due to 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. 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 management and fiscal risk has shifted to counties.

The primary costs are \$18,078,514 in Salaries and Benefits, and \$24,183,429 in direct program service contracts.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2011/12 Budget are provided below:

On October 25, 2011 the Board of Supervisors deleted the following vacant positions:

- 4.0 FTE Mental Health Clinician (Licensed)
- 1.0 FTE Clinical Nurse Specialist
- 1.0 FTE Office Assistant II
- 1.0 FTE Office Assistant III
- 0.8 FTE Mental Health Specialist I
- 3.0 FTE Mental Health Specialist II

On November 8, 2011 the Board of Supervisors deleted the following vacant positions:

- 1.0 FTE Mental Health Clinician (Licensed)
- 2.0 FTE Office Assistant III
- 1.0 FTE Office Assistant II
- .25 FTE Psychiatrist (Child-Board Cert)

On January 10, 2012 the Board of Supervisors modified the following positions:

- Deleted 1.0 FTE Mental Health Clinical (Licensed-Regular) and added 1.0 FTE Mental Health Clinician (Limited Term)
- Deleted 1.0 FTE Crisis Specialist (Regular) and added 1.0 FTE Mental Health Specialist (Limited Term)

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It is recommended to add in the FY2012/13 Budget the following positions in order to provide services to newly realigned AB109 probationers, as part of 2011 Public Safety Realignment:

- FTE Mental Health Clinician (Lic) position-funded by AB 109 Realignment
- FTE Patient Benefit Specialist position-funded 50% by 2011 Public Safety Realignment (AB 109) and 50% by Media-Cal Administrative Activities

PENDING ISSUES AND POLICY CONSIDERATIONS

2011 Public Safety Realignment and 2011 Realignment for Health & Social Services poses many challenges, however, it may also provide opportunities to improve service delivery. Under 2011 Realignment, state general funded substance abuse services, Drug Medi-Cal, Early, Periodic Screening Diagnosis and Treatment (EPSDT) services and mental health Managed Care responsibilities were realigned to the local level. In addition, AB109 realigned management of parolees formerly in the care of the State to local law enforcement. As the fiscal details of 2011 Realignment are still being discussed at the State level, the fiscal impact of 2011 Realignment on counties has yet to be determined. The latest projections from CSAC on AB 109 funding indicate that the County may receive more funding than currently included in the FY2012/13 Recommended Budget. New 2011 Realignment programs may possibly be financed through the increased AB 109 funding. If the State's FY2012/13 Budget adopted by the Legislature includes the additional funding, staff will return to the Board at a future meeting to adjust the FY2012/13 budgets for the Department. Absent supporting increase in State revenue, significant caseload increases would subject the County to concomitant General Fund exposure.

Compared to the January 2012 State Budget, the May 2012 Revise projects: a \$4.3M or 0.23% net increase in Statewide funding for the combined EPSDT (+\$40.2M), MH Managed Care (+\$7.9M), and Existing Community MH Programs (-\$43.8M) as well as a projected \$3.9M or 2.17% increase in Substance Abuse Treatment.

One concern under 2011 Realignment is the realignment of Drug Media-Cal Services, specifically the Narcotic Replacement Therapy service contracts which were previously programmatically and fiscally managed at the State. As these services are a Drug Medi-Cal entitlement, the Department is now fiscally responsible for these services and will need to fund the nonfederal share of them with 2011 Realignment money. At this time, it is unclear how funding for these services will be allocated under 2011 Realignment and if the funding will be adequate to cover service needs.

Mental Health Managed Care Realignment is another area of concern. Historically, Solano has worked with Partnership Health Plan of California in a unique 'carve-in' situation, in contrast to other counties that are paid directly by the State to provide these services as a part of their contract to deliver consolidated mental health services. Department of Healthcare Services has determined that this arrangement is in conflict with Realignment 2011, and has notified the County of its intent to pay the County directly to provide these services. Since Managed Care distributions have not been finalized at the time of this report, fiscal impact, if any is uncertain.

Summary of Other Administered Budgets

**7780 – Fund 902-Behavioral Health
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DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Fines, Forfeitures, & Penalty	82,000	62,000	108,085	46,085	74%
Revenue From Use of Money/Prop	4,138	6,400	6,400	0	0%
Intergovernmental Rev State	33,269,390	40,226,272	42,656,059	2,429,787	6%
Intergovernmental Rev Federal	5,795,090	3,988,768	3,261,595	(727,173)	(18%)
Intergovernmental Rev Other	1,423,488	0	0	0	0%
Charges For Services	8,306,218	9,137,372	9,445,294	307,922	3%
Misc Revenue	458,951	31,999	6,000	(25,999)	(81%)
General Fund Contribution	6,656,831	3,687,654	2,811,654	(876,000)	(24%)
TOTAL REVENUES	55,996,106	57,140,465	58,295,087	1,154,622	2%
APPROPRIATIONS					
Salaries and Employee Benefits	20,898,062	18,373,865	18,078,514	(295,351)	(2%)
Services and Supplies	3,529,805	4,754,217	5,302,161	547,944	12%
Other Charges	28,573,086	28,534,560	31,840,126	3,305,566	12%
F/A Bldgs and Imprmts	0	500,000	500,000	0	0%
F/A Equipment	0	60,000	60,000	0	0%
F/A - INTANGIBLES	0	1,835,335	0	(1,835,335)	(100%)
Other Financing Uses	1,029,700	1,032,659	873,592	(159,067)	(15%)
Intra-Fund Transfers	1,914,679	2,049,830	1,640,694	(409,136)	(20%)
TOTAL APPROPRIATIONS	55,945,331	57,140,466	58,295,087	1,154,621	2%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2012/13 Recommended Budget projects a \$1,154,622 net increase in revenues primarily due to the following:

- Increase in federal reimbursements for mental health and substance abuse services due the change in reimbursement for mental health services and the addition of Drug Medi-Cal methadone contracts; higher revenues from 1991 realignment due to anticipated sales tax growth; increase in Child Health Fees, Early Periodic Screening Diagnosis and Treatment (EPSDT) due to 2011 realignment funding changes; and a rise in Intergovernmental Revenues (IGT) to partially fund the Crisis Stabilization Unit (CSU).
- The growth in revenues is partially offset by a decrease in State revenues due to the initial implementation of an Electronic Health Records system and CSU in FY2011/12; reduction in County General Fund contribution; and decrease in Medi-Cal Administrative Activities (MAA) funding due to fewer staff time-study hours to this function.

The FY2012/13 Recommended Budget projects a \$1,154,621 increase in appropriations mainly as a result of:

- Significant cost increases in the Drug Medi-Cal methadone contracts (new State mandated responsibility), and payments for Institute for Mental Diseases (IMD) beds due to higher usage of beds, and the contract for an adult Full Service Partnership (FSP) program in MHSA. The additional costs for these programs are fully offset by revenues.
- The increase in appropriations is partially mitigated by salary savings due to employee labor concessions that reduced retirement and health care costs; lower charges for unemployment insurance due to a “rate holiday”, and the non-recurrence of the one-time expense for the purchase of the Electronic Health Record system in FY2011/12.

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DEPARTMENTAL 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 provides timely, high quality, culturally and linguistically appropriate, comprehensive healthcare to the uninsured and underinsured residents of Solano County.

FUNCTION AND RESPONSIBILITY

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

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 medical indigent residents of Solano County.

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- The Division reorganized to bring a substantial amount of adult mental health services into the Division and integrate mental health services with primary care services.
- The Emergency Medical Services Agency designated two Level III Trauma Centers in Solano County, NorthBay Medical Center in Fairfield and Kaiser Foundation Hospital in Vacaville—the first two Trauma Centers in the County. The former serves the south county area and latter serves the north. Additionally, NorthBay Medical Center was designated as a ST Elevation Myocardial Infarction (i.e. serious heart attacks) Receiving Center in Solano County; cardiac patients will no longer be required to be transported out-of-county to receive state of the art life-saving treatment.
- In 2011, Health Promotion and Community Wellness received a \$1.26 million Community Transformation Grant over five years. The funds are provided by the US Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion for Community Transformation Initiative activities. The activities include promoting smoke-free multi-unit housing; limiting access to sugary beverages; chronic disease self-management; and safe routes to school and enhancing walkable communities.
- In 2011, the Solano/Napa Public Health Laboratory entered into a \$150,000 per year revenue contract to provide public health laboratory services for Yolo County. This contract is expected to increase laboratory testing by 15% and will also increase laboratory revenue from testing. In Fiscal Year 2012-2013, this contract will be replaced with a Joint Powers Agreement for laboratory services (creating the Napa/Solano/Yolo Public Health Laboratory).
- In 2011, WIC continued to implement the breastfeeding peer counselor program. In its second year of operation, the program has seen significant improvements in exclusive breastfeeding rates, from 15.9% in 2010 to 20.7% in 2011.
- Family Health Services, including two primary care clinics, the dental clinic, and two integrated care clinics, began building the NextGen Electronic Health Record system, moving from a paper client chart to electronic Medi-Cal records. The Electronic Health Record will be fully implemented in Fiscal Year 2011/12.
- The Public Health Nursing Bureau was merged with the Maternal, Child & Adolescent Health (MCAH) Bureau in 2011. The merge allowed for streamlining and integrating 12 Public Health programs.
- Family Health Services continued its integration of adult mental health into the Bureau and further integrated primary care services into the Integrated Care Clinics.

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- Family Health Services obtained a dental van to provide mobile dental services throughout the County. In addition, Solano County H&SS applied for and was awarded a New Access Point grant from the Health Resources and Services Administration (HRSA) to staff the dental van, as well as expand services in the County.
 - In February, 2011, Solano County Dental Clinic held the First Annual Solano County Give Kids a Smile Day. One hundred and fifty-four low income children were provided dental services and more than one out of every three children served (35%) had never seen a dentist.
 - The County broke ground on the William J. Carroll Government Center in Vacaville, which will include a Dental Clinic, Primary Care Clinic, and Integrated Care Clinic (mental health services), expanding access to services for northern Solano County. The Vacaville Dental Clinic is financed by a Facilities Improvement Project which utilizes funding from American Recovery and Reinvestment Act (ARRA).
 - The WIC and Dental Clinic partnership continued in Fairfield and will soon be expanded to Vallejo. A Dentist and Dental Assistant conduct a fluoride varnish clinic for children one to five years of age. There are plans to expand this partnership to Vacaville as well upon the completion of the William J. Carroll Government center and other WIC satellite clinics.
 - Solano County Public Health and Child Welfare Services partnered on two important projects: 1) the Divisions collaborated to increase timely access to Medi-Cal care for children in the foster care system; and 2) the Divisions continued to implement Nurse-Family Partnership, an evidence-based home visiting program, serving 130 new, high-risk mothers in 2011. Nurse-Family Partnership received additional funds in 2012 to expand the program.
 - The Division entered into an agreement with Touro University to partner in delivery of primary care services as well as to add specialized services and an educational component to the Family Health Services clinics.

WORKLOAD INDICATORS

During the period of July 1, 2010 – June 30, 2011:

- In 2011, the Women, Infants, & Children (WIC) program served a monthly average of 11,200 pregnant women, postpartum women & children less than 5 years of age.
- In 2011, more than 3,700 infectious diseases were reported and followed up on appropriately.
- In 2011, approximately 3,000 home visits were made by public health nurses to high-risk families.
- In 2011, 19,000 elementary school students were served, including bicycle safety training and safe routes to school events.
- The number of clients served in Family Health Services increased from 44,595 visits in Fiscal Year 2007/08 to 54,929 visits in Fiscal Year 2010/11—nearly a 19% increase in the number of clients served over four years.
- During Fiscal Year 2010-11, Family Health Services increased its Partnership HealthPlan of California capitation to more than 11,000 patients—a 26% from the previous year.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for Health Services of \$60,287,313 represents an overall increase of \$6,959,095 or 13.0%, in Revenues and Appropriations when compared to the FY2011/12 Adopted Budget. The County General Fund Contribution of \$1,531,706 has been decreased by \$400,000 as part of the County General Fund reduction strategy.

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

Funding sources for Public Health (PH) include various federal grants, fee-for-service, revenue contracts with colleges, other counties, private companies, and federal and state allocations. Programs utilizing federal grants include Nurse-Family Partnership, Emergency Medi-Cal Services, and WIC. Programs utilizing fee-for-service and revenue contracts include the PH Lab, Vital Statistics, Health Promotion and Education, and Student Health Services. Programs utilizing federal and state allocations include Emergency Medi-Cal Services, TB Control, Communicable Disease, AIDS Surveillance, Bioterrorism, Family

Planning, AIDS Community Education, Health Promotion and Education, Public Health Nursing, Childhood Lead, Immunization, California Children's Services, Child Health and Disability Prevention, WIC, and Maternal Child and Adolescent Health.

Primary costs for Health Services are: \$31,992,221 for salaries and employee benefits; \$8,056,671 for services and supplies; \$16,163,445 for other charges (including \$6,871,127 for CMSP services to residents and \$5,359,968 in contracted direct services); \$441,736 for fixed assets; \$1,453,844 for other financing uses; and \$2,179,396 for intra-fund transfers.

SUMMARY OF POSITION CHANGES

The following position allocations were changed as part of the Health Services reorganization during FY2011/12 for a net increase of 5.25 FTEs:

Added

- 1.0 FTE Chief Medi-Cal Officer/Deputy Health Officer
- 1.0 FTE Clinic Physician Supervisor
- 1.0 FTE Psychiatrist Supervisor
- 1.0 FTE Health Services Manager
- 3.0 FTE Medical Assistants
- 2.0 FTE Mental Health Clinician (Licensed)
- 1.0 FTE Nurse Practitioner/Physician Assistant
- 2.0 FTE Clinic Registered Nurse (Sr.)
- 2.0 FTE Epidemiologist

Deleted

- 2.0 FTE Physician Manager/Deputy Health Officer
- 1.0 FTE Clinic Physician (Board Certified)
- 1.0 FTE Psychiatrist (Board Certified)
- 3.0 FTE Public Health Nurse
- 1.0 Health Education Specialist
- 0.75 Health Assistant

The following 30 new positions are recommended in the FY2012/13 Budget in order to provide start up staff for the William J Carroll Government Center FQHC Family clinics, the dedicated pediatric clinic in Fairfield, expansion of Dental Services and 2 grant programs.

WJCGC Primary Care Clinic (10 positions):

- 5.0 FTE Medical Assistant
- 1.0 FTE Medical Assistant (Lead)
- 1.0 FTE Clinic Physician (Board Certified)
- 1.0 FTE Nurse Practitioner/Physician Assistant
- 1.0 FTE Account Clerk II
- 1.0 FTE Clinic Registered Nurse, Sr.

WJCGC Behavioral Health (ICC) (4 positions):

- 1.0 FTE Psychiatrist

- 1.0 FTE Mental Health Clinician (Licensed)
- 2.0 FTE Medical Assistant

WJCGC Dental Health (7 Positions)

- 1.0 FTE Dentist
- 1.0 FTE Supervising Dentist
- 2.0 FTE Dental Assistant, Registered
- 1.0 FTE Dental Assistant, Registered Lead
- 1.0 FTE Dental Office Supervisor
- 1.0 FTE Account Clerk II

Fairfield Pediatric Clinic (2 positions)

- 1.0 FTE Clinic Registered Nurse, Sr.
- 1.0 FTE Medical Assistant (Lead)

Fairfield Primary Care (1 position)

- 1.0 FTE Medical Assistant (Lead)

Vallejo Primary Care (1 position)

- 1.0 FTE Medical Assistant (Lead)

Fairfield Dental Clinic (2 positions)

- 2.0 FTE Dental Assistant, Registered

Women, Infants and Children (2 positions)

- 2.0 FTE Infant Nutrition Counselors

Nurse Family Partnership (1 position)

- 1.0 FTE Health Education Specialist, Sr

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 and Health Services. At the federal level, the U.S. Supreme Court is weighing arguments concerning the constitutionality of the Healthcare Reform Act. If healthcare reform goes forward, largely unchanged, then a significant expansion of Medi-Cal will occur in 2014, resulting in increased caseloads for a number of program areas in H&SS including Health Services. Recent expansions in County clinic infrastructure, including the soon-to-open William J. Carroll Government Center in Vacaville, and Board decisions to increase staffing of the County's primary care, dental health, and mental health clinics, including mobile care capacity, have positioned the County well to address these increased needs for Health Services. The full impacts of healthcare reform remain uncertain, however. At the state level, the May Revised Budget contains language that would change funding for Federally Qualified Health Centers (FQHCs), including the County's clinics, from encounter-based reimbursement to capitated managed care; this change would require federal consent, and it is unclear whether the State Legislature and the U.S. Health Resources and Services Administration will concur with the proposal. If the change is adopted, the Family Health Services clinics are prepared to implement the capitated managed care funding structure; it is not clear, however, whether the other FQHCs in the County will be able to make this adjustment, and if they are unable to then additional clients may seek care at the County's clinics. The State Budget also calls for substantial reductions in First Five funding and in funding for programs that may impact the Division; while acceptance of these proposals by the State Legislature and the potential impacts of these proposals remain uncertain, the Division is preparing to address these cuts if implemented.

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DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Licenses, Permits & Franchise	10,087	10,000	10,120	120	1%
Fines, Forfeitures, & Penalty	465,976	574,028	546,570	(27,458)	(5%)
Revenue From Use of Money/Prop	5,294	4,500	4,500	0	0%
Intergovernmental Rev State	15,694,603	17,418,466	18,557,202	1,138,736	7%
Intergovernmental Rev Federal	11,583,322	10,807,115	11,283,933	476,818	4%
Intergovernmental Rev Other	359,336	715,038	1,030,405	315,367	44%
Charges For Services	14,268,627	20,478,310	25,482,253	5,003,943	24%
Misc Revenue	666,160	254,725	882,000	627,275	246%
Other Financing Sources	2,468,257	1,134,330	958,624	(175,706)	(15%)
General Fund Contribution	3,784,011	1,931,706	1,531,706	(400,000)	(21%)
TOTAL REVENUES	49,305,672	53,328,218	60,287,313	6,959,095	13%
APPROPRIATIONS					
Salaries and Employee Benefits	24,296,977	29,209,708	31,992,221	2,782,513	10%
Services and Supplies	6,380,211	7,016,398	8,056,671	1,040,273	15%
Other Charges	14,003,659	13,066,430	16,163,445	3,097,015	24%
F/A Equipment	192,920	88,865	349,063	260,198	293%
F/A - INTANGIBLES	328,306	214,428	92,673	(121,755)	(57%)
Other Financing Uses	1,838,742	1,420,582	1,453,844	33,262	2%
Intra-Fund Transfers	2,260,201	2,311,806	2,179,396	(132,410)	(6%)
TOTAL APPROPRIATIONS	49,301,017	53,328,217	60,287,313	6,959,096	13%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2012/13 Recommended Budget for Health Services projects a \$6,959,095 net increase Revenues compared to the FY2011/12 Adopted Budget. County Contribution has been decreased by \$400,000 due to the expansion of Federally Qualified Health Centers and the integration of Primary Care with Mental Health. The projected increase in federal and state revenue results primarily from increased FQHC revenue due to the following changes in current clinic operations:

- Expanded primary care, behavioral health and dental services by opening the William J Carroll Facility in Vacaville;
- Expanded pediatric services by opening a pediatric clinic at 2101 Courage in Fairfield;
- Increased efficiency and productivity in the FQHC clinics, which will be accomplished through more effective staffing (to optimize use of available examination rooms), streamlined patient flow, and increased provider availability to provide direct patient care (substantial provider time in the current fiscal year has been devoted to training and implementation of a new electronic Medical record and patient billing system in Family Health Services, in keeping with federal requirements for meaningful use); and
- Reduced claims rejection rates for Medi-Cal, CMSP and Medicare clients billed for services provided, following implementation of a new, electronic patient billing system which was fully implemented in late FY2011/12;

The FY2012/13 Recommended Budget for Health Services projects a \$6,959,096 increase in Appropriations compared to the FY2011/12 Adopted Budget. The projected increase results from the following changes in current operations:

- 21 FTE are being requested to provide initial staffing for the Primary Care, Dental and Behavioral Health clinics at the William J Carroll Facility in Vacaville. This will not fully staff the William J Carroll facility, but it will provide start up personnel until the facility is fully operational and caseloads can be determined. Other costs associated with opening the facility include, but are not limited to, increased costs for county overhead, indigent care, insurance, computers, utilities, Medical supplies, and office supplies. This expansion accounts for 52% of the recommended increase in appropriations.
- 6 FTE are being requested to staff the expansion of pediatric services at 2101 Courage in Fairfield and Dental Services in Fairfield and Vallejo. Additional costs associated with the expansion include, but are not limited to, increased costs for county overhead, insurance, computers, utilities, Medical supplies, and office supplies.

- 3 FTE are being requested to staff the expansion of Nurse Family Partnership and WIC grant funded programs. Additional costs associated with the expansion include, but are not limited to, increased costs for county overhead, insurance, computers, Medical supplies, and office supplies.
- Family Health Services is now partnering with Touro to provide specialized services for HSS patients, which accounts for 33% of the recommended increase in appropriations.

DEPARTMENTAL PURPOSE

In order to streamline administration and services, the budget for Social Services was redesigned to include three major divisions: Employment and Eligibility Services (E&ES), Welfare Administration, and Child and Adult Resources and Services (CARES). CARES includes Child Welfare Services (CWS), Older and Disabled Adults Services (ODAS), and Public Guardian.

Employment and Eligibility Services

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

Welfare Administration and Special Projects

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

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

CARES - Child Welfare Services

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

CARES - Older and Disabled Adult Services

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

EMPLOYMENT AND ELIGIBILITY SERVICES

Function and Responsibility

The E&ES Division provides public assistance to Solano County residents and assisting the recipients towards self-sufficiency. As of December 31, 2011, 78,795 County residents, or 19% of the County population were receiving public assistance benefits, up from 60,523, or 14.7%, five years earlier. These benefits have a significant impact on the County's economy. For example, in June 2011, the Division issued \$9.2 million in cash and food benefits, generating at least \$13.6 million in local economic activity, as recipients paid rent and bought food with these funds. The Division provides cash aid to nearly 5,600 families and over 1,000 individuals per month, food assistance to nearly 19,300 families per month, or nearly 42,000 individuals, and Medical coverage for nearly 26,000 families per month, or over 76,000 individuals.

Significant Challenges and Accomplishments

- E&ES continued implementing the "self-service" initiatives to leverage technology and allow interested applicants and recipients to access services without having to visit an office. In November 2010, Solano implemented Benefits CalWIN to allow residents to apply for CalFresh and Medi-Cal benefits online, as well as submitting CalFresh periodic reports and annual renewals electronically. In June 2011, E&ES received 674 online applications for CalFresh and Medi-Cal/CMSP out of a total of 2,934 (including Face-to-Face and Mail-in Applications) in that month, accounting for nearly 24% of applications. In December 2010, a 24/7 automated inquiry line (Access CalWIN) was implemented to provide clients with frequently requested information without the need for staff intervention. In June 2011 out of 31,224 calls, 9,270 calls, or nearly 30%, were handled by the automated system. For calendar year 2011, over 30% of calls were handled without staff intervention.
- The Division achieved a 100% accuracy rate based on a CMSP Governing Board audit in January 2011, resulting in a

bonus of 5% to the FY2010/11 CMSP allocation, amounting to approximately \$81,350. As a result of this accuracy rate, the Governing Board has exempted E&ES from this audit for FY2012/13.

- The Division received \$18,000 in incentive payments from the CMSP Governing Board for timely processing of disability referrals for those customers potentially eligible to Medi-Cal.
- The Division implemented a new, function-based, management structure, which reduced allocated management positions by 22%. Managers are now responsible for assigned functions throughout the County, overseeing staff in three to five offices in three cities. This change is resulting in increased consistency of operations between offices, however, it also requires more travel for management, and adds logistical challenges with processing administrative paperwork.
- E&ES was able to make a slight improvement in the Work Participation Rate (WPR) from 17.8% in Federal Fiscal Year (FFY) 2009/10 to an un-weighted WPR of 19.7% during FFY2010/11, still a low rate mainly due to the continued high local unemployment rate and state budget saving measures that exempt more parents from participation in Welfare to Work activities, but do not exclude them from the Federal WPR calculation.
- In June 2011, E&ES implemented an imaging system, which will replace paper case files over time. Documents are imaged at the point of entry into the Division, and are then electronically routed to the case worker for processing. This gives case workers immediate access to the information submitted, and is particularly helpful for the Benefits Action Center, as documents submitted in a regional office are immediately available, eliminating the prior need for routing and mail delivery. Additionally, the imaging system creates “tasks” for most documents, allowing staff to readily see their pending work, and allowing supervisors to more easily re-assign work when staff is absent.

Workload Indicators

- Staff received and processed 88,545 applications for benefits, approved 54,200, denied 31,701, and handled 91,533 customer calls at the Benefits Action Center (BAC) during FY2010/11. Applications are up 16.4% over FY2008/09, while approvals are up 11.5% and denials increased by 4.9%. Telephone calls to staff at the BAC have decreased by 4.4%, which is attributed to the 24/7 automated phone line, which handles approximately 30% of calls without staff intervention.
- In December 2011, the Division served 78,795 unduplicated County residents, up from 74,471 in December 2009, and 60,523 in December 2006, an increase of over 30% in a five year period. The Division continues to redesign and streamline business processes, implement “self-service” options, and enhance technology in an effort to meet ever-increasing customer demands. An example of these efforts is the improved CalFresh Expedited Services timeliness rate, not because of any additional resources, but by proactive management, giving the immediate provision of food to the most needy in our community the highest priority. As reported by the State Department of Social Services, the Division’s Expedited Services timeliness rate has increased from 87.4% in June 2010 to 92.6% in June 2011, and 95.6% for calendar year 2011. However, at the same time, the Division’s timeliness rate for regular CalFresh applications dropped below both the statewide average and the processing standard. Even with process improvements and efficiencies, increased staffing is needed to manage the increase in workload; without such, there will be further delays in application processing, increased waiting time for services, and delays in benefit issuance.
- Issued cash aid benefits to an average of 6,238 CalWORKs families per month, a 6.6% decrease from the prior year, due primarily to reductions in length and amount of aid enacted in the FY2011/12 State budget. While the caseload has recently decreased, it was 18.7% higher in December 2011 than in December 2006.
- Provided supplemental food benefits to an average of 19,209 CalFresh families per month, a 6.9% increase from the prior year. This equates to over \$6 million in monthly benefits spent in the local economy, resulting in about \$8.86 million in local economic impact each month. This program increased by 122.3% from December 2006 to December 2011, showing the impact of the economic downturn in our community.
- Provided Medi-Cal assistance to an average of 30,710 families and individuals per month through Medi-Cal, CMSP, and/or Path2Health programs, a 1.8% increase from the prior year. From December 2006 to December 2011, the Medi-Cal caseload increased by 35.3%, while the CMSP caseload increased by 24.3%. Path2Health is a new program that began in January 2012, and will transition people to Medi-Cal when health care reform is implemented.

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WELFARE ADMINISTRATION AND SPECIAL PROJECTS

Function and Responsibility

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

This budget is also used for special projects such as to account for expenditures in the CalWORKs Information Network (CalWIN) public assistance case management system allocation, administered by E&ES, the Transitional Housing Program Plus (THP-Plus) administered by CWS, and a state contract related to the Case Management, Information and Payroll System (CMIPS) which is used by the State to track services for IHSS clients and to pay wages to their care providers.

Significant Challenges and Accomplishments

- The Department reorganized Special Investigations Bureau clerical staff after losing 14% of personnel to retirement and instituted a fully integrated clerical pool model to ensure proficiency in all areas.
- SIB expanded the use of electronic technology for collections resulting in shorter processing times and better tracking of collections.

Workload Indicators

During the period of July 1, 2010 – June 30, 2011, staff reported the following workload:

- 11% increase in the number of Appeals case received and decisions rendered which follows a 21% increase the previous year.
- 12% increase in new debts established which follows a 14% increase the previous year

CARES – CHILD WELFARE SERVICES

Function and Responsibility

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

- Emergency Response investigates allegations of neglect or abuse of children and decides whether children can safely remain in their own home. Emergency Response may initiate a service plan to reduce risk factors sufficiently to allow children to remain at home or, if this is not possible, will complete the legal documentation to request the Juvenile Court to order the children into foster or relative care. Emergency Response is available 24 hours a day, seven days a week, to respond to situations in which a child is at imminent risk of abuse or serious neglect.
- Family Maintenance provides time-limited protective services to families in crisis to prevent or remedy abuse or neglect, allowing social workers to work with the family while keeping the child in the home.
- Family Reunification provides time-limited intervention and support services to parents while the children are in foster care to make the family environment safe for the child to return.
- Permanency Placement provides services to those children who cannot return to a parent's custody and for whom no adoptive parents or legal guardians can be found. Permanency Placement services are meant to ensure that these children can grow up in a permanent, safe and secure living arrangement. They include an array of services for foster and former foster youth designed to implement permanency planning as quickly as possible upon their entry into foster care and to aid them in transitioning to a successful emancipation. Additionally, permanency placement provides services to transitional aged-youth up to 24 years of age.
- Adoption assists children removed from their homes due to abuse or neglect and who are unable to return to live with their parents. The full range of adoption and support services include concurrent planning, placement of children in adoptive

homes, and post-adoptive services to the adopting family and children.

- Out-of-home Placement Services provides children who are removed from their families a variety of settings that allow for a safe, less restrictive, environment to meet their needs and, to the extent possible, allow them to remain in their own schools and communities. These settings include the homes of related/non-related extended family members, foster family homes and agencies, group homes and community treatment facilities.
- Foster Care Eligibility determines the eligibility and funding source that pays for out-of-home placement for children who are placed in foster care by Child Welfare Services and Probation. As part of the eligibility process, foster children are enrolled in Medi-Cal.

Significant Challenges and Accomplishments

- Assembly Bill (AB) 12 is recent legislation that went into effect January 1, 2012 which extends assistance to children in foster care until their 21st birthday. Without appropriate guidance from the State, counties cannot yet estimate the resources needed to support the program. The program is an unfunded mandate and may require at a minimum 1.0 FTE Social Worker II to staff the caseload and court reports.
- Child Welfare continues to maintain high quality work that is required to keep the numbers of children in foster care low, thereby saving county dollars and maintaining a low recurrence rate.
- The organizational improvements and the introduction of best CWS practices resulted in a 40.7% reduction in foster care placements from 2006 to 2011 (California Administrative Office of the Courts, 2011).
- Pending issues – The Governor’s proposed budget and its lack of specificity on foster care realignment generates uncertainty how CWS will be able to meet basic service needs in the future.

Workload Indicators

During the period of July 1, 2010 – June 30, 2011, staff reported the following workload:

- The most recent data available reflect an increase in the number of children in foster care from 375 in October 2010 to 406 in October 2011. At the same time, the number of children referred for emergency services rose to 5,816 in 2011 from 5,695 in 2010, with increasing complexity for each case as documented in the Structured Decision Making assessment.
- The most recent data available (April 2011 – March 2012) reflects that in Solano County, 67% or 81 children were reunited with family within 12 months while 33% or 40 children were reunified in more than 12 months. For the same time period in the previous year, 82% or 93 children were reunified in 12 months while 18% or 21 children were reunified in more than 12 months. The national performance standard is 75.2% for reunification within 12 months.

CARES – OLDER AND DISABLED ADULT SERVICES

Function and Responsibility

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

Significant Challenges and Accomplishments

- ODAS reorganized IHSS staff after losing 26% of personnel due to staff reductions since December 2009. Extra help social workers were hired to address the heavy workload which helped reduce the number of overdue reassessments; but when those workers completed their 999 hours the IHSS overdue case numbers began to slowly increase.

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- As an internal business process improvement the Division expanded the use of electronic technology to populate numerous forms for a more efficient and effective way of doing business. The IHSS program was able to save social workers about 30 minutes doing paperwork for each intake and annual assessment.
- IHSS Staff created a SharePoint intranet site to track IHSS assessment reports electronically, which makes the writing of future reports easier, reduces paper in case records, and makes information more accessible.
- SIB and ODAS partnered to implement a fraud investigation component in the IHSS program which has demonstrated significant recovery and cost savings, including new criminal background check procedures for all IHSS providers.
- ODAS staff implemented an online registration process for IHSS providers using video conferencing and video training to complete the enrollment process to be registered as a care provider for IHSS recipients.

Workload Indicators

During the period of July 1, 2010 – June 30, 2011, staff reported the following workload:

- Provided services to approximately 3,000 IHSS recipients and completed background checks and provided in-person orientations or printed materials for about 4,000 in-home care providers.
- Investigated an average of 113 reports of adult abuse and neglect each month.
- Public Guardian's Office provided services to an average of 161 conserved clients each month and 60 public administration cases each month.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the Social Services Department of \$83,239,369 reflects an overall decrease of \$3,143,178 or 3.6% in Revenues and Appropriations when compared to the FY2011/12 Adopted Budget. The County General Fund contribution of \$5,674,518 has been reduced by \$1,207,732 as part of the County General Fund reduction strategy.

The primary funding sources for Social Services' 14 major programs are State allocations and Federal funds which include, Title IVE (Foster Care and Adoptions Assistance), Title XIX (Medi-Cal), TANF (Temporary Assistance for Needy Families (known as CalWORKs), Title XX (Community Services), Title IVB (PSSF & CWS), and funds from the Dept. of Agriculture (CalFresh). The State funds are used for the following programs: In-Home Supportive Services, CalWORKs, County Medi-Cal Services Programs (CMSP) and CalFresh Eligibility. The State of California 2011 Public Safety Realignment legislation realigns the State's share of cost for Adoptions, Child Welfare Services, Foster Care Administration, Child Abuse Prevention Intervention and Treatment (CAPIT), Transitional Housing Program Plus, Independent Living Program, Adult Protective Services and State Family Preservation by diverting 1.0625 cents of sales tax revenues to the counties. 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 a \$1,870,052 County Maintenance of Effort (MOE). Once the MOE is met, the funding for these two programs are covered 100% by State and Federal Funds. Child Welfare Services revenue allocations primarily fund the four basic service components of Emergency Response, Family Maintenance, Family Reunification and Permanent Placement. However, the allocation is also used for other activities that are added to the allocation by legislation and state initiatives. The net effect of this new funding mechanism is that the County is now responsible for 100% of the non-federal share of cost in realigned programs. Also, in FY 2011/12, the County transferred the Foster Care Licensing Program to the State, and therefore no longer operates this program.

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

- Employment and Eligibility (7650) with Recommended Appropriations of \$47,633,910. Staff accounted for within this cost center are eligibility workers, employment resource workers, supervisors, clerical staff, accounting staff, managers and administrators dedicated to eligibility determination and welfare-to-work programs, including CalWORKs, Medi-Cal, CMSP, CalFresh, Refugee and General Assistance.
- Child Welfare Services (7600) with Recommended Appropriations of \$17,598,895. Staff accounted for within this cost center are the social workers, supervisors, clerical staff, eligibility workers, managers and administrators dedicated primarily to child protective services, serving families at risk of having their children removed from their custody, and the children who

Summary of Other Administered Budgets

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are placed in foster care. Other programs administered are Foster Care Eligibility, Adoptions, Licensing, Supportive and Therapeutic Options, Family Preservation services, and contracted Community Services.

- Older Disabled Adult Services (7640) with Recommended Appropriations of \$7,765,225. Staff accounted for within this cost center include social workers, clerical staff, accounting staff, nurses, supervisors, managers and administrators dedicated to providing In-Home Supportive Services (IHSS), Adult Protective Services (APS), and Public Guardian functions.
- Welfare Administration (7545) with Recommended Appropriations of \$7,167,842. Staff accounted for within this cost center includes welfare fraud investigators, appeals specialists, accounting staff, clerical staff and an administrator who receive reports of potential fraud in all social services programs, conduct investigations on these reports and also hear appeals from clients regarding decisions made on benefits for assistance programs and IHSS services. Also accounted for within this cost center are clerical and accounting staff that maintain records and handle fiscal disbursement functions for the assistance programs. Additionally, the quality control unit within this cost center includes employment resource workers and a supervisor who review case files for compliance with regulations, primarily for CalWORKs and CalFresh programs.
- Special Projects (7675) with Recommended Appropriations of \$3,073,497. Except for 1 Extra Help contract employee to assist with implementation of CMIPS, a new IHSS payroll and case management system funded through a contract with the State, this budget does not include personnel. It does include appropriations for the Transitional Housing Assistance program, and the CalWIN computer system used to determine client eligibility for Assistance Programs.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	5,080	8,000	4,000	(4,000)	(50%)
Intergovernmental Rev State	40,947,210	40,014,483	40,409,539	395,056	1%
Intergovernmental Rev Federal	36,844,819	38,367,843	36,363,983	(2,003,860)	(5%)
Charges For Services	1,235,364	964,971	787,329	(177,642)	(18%)
Misc Revenue	231,996	145,000	0	(145,000)	(100%)
Other Financing Sources	3,750	0	0	0	0%
General Fund Contribution	5,770,001	6,882,250	5,674,518	(1,207,732)	(18%)
TOTAL REVENUES	85,038,220	86,382,547	83,239,369	(3,143,178)	(4%)
APPROPRIATIONS					
Salaries and Employee Benefits	49,394,777	53,795,555	52,111,223	(1,684,332)	(3%)
Services and Supplies	9,456,518	10,452,213	10,151,153	(301,060)	(3%)
Other Charges	12,671,527	13,636,436	13,369,173	(267,263)	(2%)
F/A Equipment	140,737	0	79,504	79,504	0%
F/A - INTANGIBLES	702,680	0	0	0	0%
Other Financing Uses	7,018,542	2,524,226	2,292,134	(232,092)	(9%)
Intra-Fund Transfers	5,735,929	5,974,117	5,236,182	(737,935)	(12%)
TOTAL APPROPRIATIONS	85,120,709	86,382,547	83,239,369	(3,143,178)	(4%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2012/13 Recommended Budget for Social Services projects a \$3,143,178 net decrease in revenues compared to the FY2011/12 Adopted Budget primarily due to a decrease in County General Fund contribution and fluctuations in State and Federal Revenue.

- As a part of the County General Fund reduction strategy H&SS Social Services Department has reduced County General Fund by \$1,207,732 in FY 2012/13. A portion of this decrease is a result of the \$752,564 increase in 1991 Realignment funding, reflecting growth in sales tax revenues. The additional reduction of \$455,168 in County General Fund is a result of savings generated from including the Public Guardians office in the Social Services claiming process and reductions in personnel and operating costs.
- Intergovernmental revenues include a decrease of \$2,361,368 to State and Federal revenue offset by the \$752,564 increase in 1991 Realignment revenue. Revenue generated for social services programs is entirely based on the

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combination of eligible hours that staff spends on specific programs to provide services to clients and the actual cost distributed to each program based on the hours spent. When cost is reduced, revenues are decreased since State and Federal funding is claimed based on incurred costs.

- The State continues to allocate State General Fund for In-Home Supportive Services, CalFresh, CMSP, and Medi-Cal program administration. The In-Home Supportive Services (IHSS) State allocation for program administration has decreased by \$462,000. The CalFresh State allocation has increased, but is budgeted at \$4.8 million, the amount HSS expects to claim for actual costs, which is less than the full amount of \$6.6 million. The amount budgeted for the CMSP allocation is reduced by \$81,000 compared to the FY2011/12 adjusted budget.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2011/12 Budget are provided below:

On November 1, 2011 the Board of Supervisors added the following positions:

- 7.0 FTE Social Worker III
- 1.0 FTE Social Worker Supervisor

Added 10.0 FTE Positions approved by the Board of Supervisors on May 8, 2012:

- 10.0 FTE Eligibility Benefit Specialist I

It is recommended to extend the following 24.0 FTE Limited Term (LT) Positions in the FY2012/13 Budget due to the continued operational needs:

- 12.0 FTE Eligibility Benefit Specialist IIs (LT) from December 31, 2012 to June 30, 2013
- 2.0 FTE Eligibility Benefits Specialist Supervisors (LT) from December 31, 2012 to June 30, 2013
- FTE Social Services Supervisor (LT) from December 31, 2012 to June 30, 2013
- 7.0 FTE Social Worker IIIs (LT) from December 31, 2012 to June 30, 2013
- FTE Social Worker IIIs (LT) from June 30, 2012 to June 30, 2013

It is recommended to delete the following position in the FY2012/13 Budget:

- 1.0 FTE Office Assistant III
- 0.25 FTE Program Specialist

It is recommended to reclassify the following 4.0 FTE positions in the FY2012/13 Budget to align with operational needs:

- 1.0 FTE Eligibility Benefits Specialist II to 1.0 FTE Eligibility Benefits Specialist III
- 1.0 FTE Program Specialist to 0.75 FTE Project Managers (Classification TBD)
- 1.0 FTE Employment Resources Specialist Supervisor to 1.0 FTE Eligibility Benefits Specialist Supervisor
- 1.0 FTE Special Programs Supervisor to 1.0 FTE CalWIN Program Manager (Classified TDB)

PENDING ISSUES AND POLICY CONSIDERATIONS

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

- Assembly Bill (AB) 12 is recent legislation that extends assistance to children in foster care until their 21st birthday. The full impact of this legislative change cannot be determined as of yet and is pending an appropriation of funding. At a minimum, however, it will increase the number of youth in care and the service demands that these youth place not only on CWS, but on other County services/programs.
- 2011 realignment for CalWORKs, Child Care, Foster Care, Adoptions, Child Protective Services, and Adult Protective Services has yet to receive a dedicated funding source through a constitutional amendment. No State regulations have yet

been issued to structure realigned programs. Cash flow problems for these programs may pose a significant risk to counties.

- Ongoing Federal discussions regarding changing the funding contribution to block grants for Medi-Cal and CalFresh services could have a significant impact on county residents and the administration of these programs.
- The State has submitted an application to the Federal Department of Medi-Cal Services to fund portions of the IHSS program through the Community First Choice Option program. Should this application be approved, the Federal Maximum Assistance (FMAP) may increase by 6% and reduce the County's share of cost for IHSS Provider wages.
- The Governor's proposals for reducing CalWORKs costs will impact both grants for clients and administrative funding if the Legislature enacts the reductions. However, the Legislature has not taken any action on the proposals and this impact will be assessed once more information is available on what reductions will be considered by the House and Senate respectively.

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITY

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Projecting the cost of assistance programs is difficult, given existing economic conditions, court decisions and changes in State regulations. Expenditures for General Assistance, which are supported 100% with County General Fund, are budgeted at an estimated \$3,724,073, based on current downward trends in caseload. As the economy improves, caseloads tend to be lower, but General Assistance is not predictable, which makes budgeting for this program challenging. In-Home Supportive Service, budgeted at \$8,201,139, reflects only the County share of the total cost of this Program. The projected cost assumes a continuation of the 3.6% across the board reduction to provider hours in FY2012/13. However, this provision will sunset on June 30, 2012. The May Revise proposes an across the Board reduction 7% instead, but this additional 3.4% reduction is not included in the Recommended Budget. The Recommended IHSS budget projection does not assume that the FY2011/12 trigger cut imposing a 20% decrease to provider hours will be implemented, because the implementation proposed was stopped by a court injunction in January 2012. The cost of Foster Care is projected to increase slightly reflecting the out-of-home placement increases presented to the Board in November 2011. Because these placements generally last 18 to 24 months, over-all decreases in cost may not be realized in the coming fiscal year. It is expected that more intensive case management services provided by additional Child Welfare Services staff will improve this trend by reducing new out-of-home placements and over time will reduce the cost of foster care placements.

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. CalWORKs assistance was realigned differently than 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 during FY2011/12 and current assumption is that counties will continue to receive the Mental Health 1991 Realignment dollars in FY2012/13 to cover the State's share of CalWORKs assistance costs, and that the State will continue to fund costs not covered by Mental Health realignment transfers with State General Fund. It is also assumed the sales tax revenue diverted for Adoptions and Foster care will continue in FY2012/13. The challenge for all of these programs is that while 2011 Public Safety Realignment statutes include legislative intent language to provide new allocation formulas for FY2012/13 and sufficient protection to provide ongoing funding and mandate protection for State and Local Governments, the details are still not known, creating uncertainty about how much funding will actually be provided and how it will be allocated.

During FY2012/13, the cost for assistance programs may exceed budgeted appropriations and require a transfer from General Fund Contingency during the fiscal year. H&SS and the County Administrator's Office will monitor expenditures to this budget; adjustments may be required at Midyear and/or Third Quarter.

WORKLOAD INDICATORS

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

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the Assistance Programs of \$60,376,994 represents an overall decrease of \$8,824,508 or 12.8% in Revenues and Appropriations when compared to FY2011/12 Adopted Budget. As a result, the County General Fund Contribution of \$9,824,604 has decreased by \$1,154,023.

The primary funding sources are Federal entitlement funds, State funds, State Realignment dedicated funds, and County General Fund. Federal funds include, Foster Care and Adoptions Assistance (Title IVE) CalWORKs or Temporary Assistance for Needy Families (TANF), and Medi-Cal (Title XIX). Assistance programs were realigned in 1991 and in 2011 for non-federal costs and State and County sharing ratios vary by assistance program:

<u>PROGRAM</u>	<u>Prior to 1991 Realignment County Share of Cost</u>	<u>1991 Realignment County Share of Cost</u>	<u>2011 Realignment County Share of Cost</u>
Foster Care	5%	60%	100%
CalWORKs Aid	11%	5%	5%
Adoptions	0%	25%	100%
In-Home Supportive Services	35%	35%	35%

While the County's share of IHSS non-federal costs remains at the same sharing ratio with the State, actual County costs increased significantly when the State required counties to be designated as the employer of record by January 1, 2003. As more counties established public authorities to meet the State mandate of employer of record, the pressure to increase provider wages intensified. For a brief period, ARRA funding lowered the County's share of cost, but this funding expired in June 2010.

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

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

SUMMARY OF POSITION CHANGES

Not applicable.

PENDING ISSUES AND POLICY CONSIDERATIONS

- Foster Care: AB 12, approved in FY2010/11, extends foster care for youth between the ages of 18 to 21 on a voluntary basis; however, State guidelines have been issued and are effective January 2012. The State anticipates that this will be cost neutral to the Counties. The number of foster youth over 18 that will remain in foster care in Solano County is not known, and there is no assurance that the County's cost for foster care placements will not increase.
- CalWORKs: As a result of the FY2011/12 State program changes, CalWORKs caseload has declined by 12%, or approximately 350 cases per month. This change has reduced the cost of aid payments to Solano County families by \$8.5 million, primarily state and federal dollars. The Governor's proposed FY2012/13 budget includes more reductions to CalWORKs aid payments, but at present, the legislature has not accepted these proposals. Therefore, the impact of the governor's proposal has not been factored in the Recommended FY 2012/13 County budget.
- IHSS: Pending litigation regarding the FY2011/12 trigger cuts and on-going lawsuits regarding State's ability to reduce its share of cost for IHSS wages are factors that may impact the County's cost for this program. The State submitted an application to the Federal government to include the IHSS program in the Community First Choice Option (CFCO) program. If this application is approved, the federal share of cost for IHSS wages may increase by 6%, having the net effect of lowering the State and County share of cost.

7900 – Fund 902-Assistance Programs
Patrick Duterte, Director of Health & Social Services
Public Assistance

Summary of Other Administered Budgets

DETAIL BY REVENUE					
CATEGORY AND	2010/11	2011/12	2012/13	FROM	PERCENT
APPROPRIATION CATEGORY	ACTUALS	ADOPTED	RECOMMENDED	ADOPTED TO	CHANGE
		BUDGET		RECOMMENDED	
REVENUES					
Licenses, Permits & Franchise	335	0	0	0	0%
Intergovernmental Rev State	30,104,687	30,262,848	26,649,614	(3,613,234)	(12%)
Intergovernmental Rev Federal	25,192,046	27,490,807	23,354,085	(4,136,722)	(15%)
Misc Revenue	1,097,152	469,220	548,691	79,471	17%
General Fund Contribution	9,617,058	10,978,627	9,824,604	(1,154,023)	(11%)
TOTAL REVENUES	66,011,278	69,201,502	60,376,994	(8,824,508)	(13%)
APPROPRIATIONS					
Other Charges	65,287,064	69,201,502	60,376,994	(8,824,508)	(13%)
TOTAL APPROPRIATIONS	65,287,064	69,201,502	60,376,994	(8,824,508)	(13%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Assistance Programs are funded primarily by Title IVE (Adoptions and Foster Care) and TANF (CalWORKs) federal funds, Title XIX (Medi-Cal) and 1991 and 2011 Realignment Funds. County General Fund Contribution of \$9,824,604 is used to pay the County share of Foster Care Assistance, CalWORKs Assistance, General Assistance, and In Home Supportive Services (IHSS) Provider Wages.

Changes to Revenue and Appropriations are presented by program. Factors contributing to the budget changes are the net result of:

7903 Foster Care Program: \$970,935 net increase of in revenues and appropriations compared to FY2011/12 Adopted Budget. However, when compared the FY2011/12 Midyear Projection, the FY2012/13 request is basically a status quo budget. As noted in the FY2011/12 Adopted Budget narrative, the Adopted budget did not include a rate increase for foster family agencies. The Adopted Budget also did not anticipate a 9% increase in the number of foster care cases during FY2011/12. The caseload increase is partially due to staffing reductions in the Child Welfare Services Program, over the past two years that limited the ability to provide more intensive services to families that prevented more children from entering the foster care placement system. In November 2011, the Board approved hiring eight additional social worker staff to increase the ability to provide intensive case management services. The goal is to reduce the growth of Foster care placements and to invest the county's resources in better outcomes for children and families by keeping as many children as possible in their own homes and communities.

7904 CalWORKs Assistance: \$8,515,401 or 19.4% decrease in revenues and appropriations. Changes to the CalWORKs eligibility rules have reduced caseloads by approximately 3% translating to a drop of 200 or more cases per month during FY2011/12, and this drop in caseload is projected to continue in FY 2012/13.

7907 General Assistance: \$762,404 or 17% decrease in appropriations. This program is funded entirely by the County General Fund. The decrease is primarily due to average grant reduction tied to the CalWORKs grant reduction in FY2011/12; (per the County's GA minute order). The FY2012/13 projection reflects a slight increase of 3 % in cases for an average of 1,128 cases per month at an average cost per case of \$275 per month after abatements from the Interim Assistance Program are factored into the projected cost.

7910 In Home Supportive Services (IHSS) Provider Wages: \$ 489,007 or 5.6% decrease in revenues and appropriations. Revenues include County General fund, contribution, 1991 Realignment funds and reimbursements from the State for the IHSS Waiver services. A \$489,007 decrease in appropriations reflects a downward trend in paid IHSS provider hours due to changes made by the State to this program. The FY2012/13 projection assumes that this trend will continue and that the total number of paid provider hours will be approximately 3.53 million. The Governor's proposed 20% across the board cut to provider hours is subject to litigation and is not included in this projection. The 3.6% reduction to hours currently in place was assumed to continue FY2012/13; however, if the May Revise proposal to decrease hours by 7%, the additional 3.4% decrease may result in savings to the County General Fund. No changes are assumed for State's current participation in the provider wage amount. The projected cost includes the County's share of payroll taxes and the CMIPS payroll system. The State pays the providers the full wage, and bills the County for its share. Therefore, only the County's share of this program is budgeted on an annual basis. The expenditure projection assumes that the IHSS Fraud Initiative and Program Integrity activities will continue in FY2012/13.

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITY

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

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

This budget unit reflects the required County General Fund share of costs incurred by the IHSS-PA and health benefits plan costs for IHSS providers. The County General Fund share for IHSS provider wages can be found in the H&SS Assistance Programs Budget 7900.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The PA has administered the health benefits plan for an average of 600 IHSS providers despite the drop in available funds, which is due to the reduced number of paid provider hours that has occurred with the reductions in services to IHSS clients over the past two years. In July of 2009, the PA was able to provide health benefits to 670 providers with 332 on the waiting list. However, the average number of providers receiving health benefits is dropping due to two factors: 1) the provider share of insurance premiums has increased; 2) the number of paid provider hours was reduced by AB1672 in FY2010/11 and estimated hours are lower than prior years as a result of the 3.6% across the board reduction to service hours for all IHSS recipients. When paid service hours drop, the revenue generated to pay for insurance benefits declines reducing the number of providers who can be insured. In May of 2012, the PA can only provide health benefits to 546 IHSS providers, with 533 on the waiting list.

WORKLOAD INDICATORS

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

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for the IHSS-PA of \$2,665,400 represents an overall decrease of \$88,053, or 3.2%, in Revenues and Appropriations when compared to its FY2011/12 Adopted Budget. As a result, the County General Fund contribution of \$553,541 was decreased by \$9,389.

The primary funding sources for this Budget are \$1,278,472 of Federal Title XIX (Medi-Cal funding), \$833,337 of State funds, and \$553,541 as County General Fund required match. The State funding is based on statute and provides \$0.60 per paid provider hour for health benefits. The primary costs appropriated in this budget reflect the General Fund’s share of the health benefits for care providers projected at \$2,118,001 and the cost of administration projected at \$540,943.

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

SUMMARY OF POSITION CHANGES

No staff positions are allocated to this Division.

PENDING ISSUES AND POLICY CONSIDERATIONS

Several proposals have been made in the Governor’s Budget and in the Assembly for reducing IHSS expenditures in FY2012/13. In the event that any of these proposals reduce the number of paid provider hours, the amount of General Fund share of funding required for IHSS care provider health benefits will also be reduced.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	729,507	871,595	833,377	(38,218)	(4%)
Intergovernmental Rev Federal	1,493,755	1,318,928	1,278,482	(40,446)	(3%)
General Fund Contribution	440,350	562,930	553,541	(9,389)	(2%)
TOTAL REVENUES	2,663,612	2,753,453	2,665,400	(88,053)	(3%)
APPROPRIATIONS					
Other Charges	2,159,820	2,200,041	2,124,457	(75,584)	(3%)
Other Financing Uses	503,792	553,412	540,943	(12,469)	(2%)
TOTAL APPROPRIATIONS	2,663,611	2,753,453	2,665,400	(88,053)	(3%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2012/13 recommended budget reflects a continuation of the 3.6% across-the-board reduction in service hours. The Division anticipates a \$40,446 decrease in Federal Health Related (Title XIX) revenue, a \$38,218 decrease in State revenue, and a \$9,389 decrease in County General Fund contribution.

A \$75,584 decrease in Other Charges is net result of \$71,999 decrease in health benefits for IHSS providers due to a 3.6% across-the-board reduction in service hours.

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITIES

H&SS' staff and operating expenditures incurred in its administration of the IHSS PA's responsibilities are tracked in this budget. IHSS PA responsibilities include: operating a Provider Registry to match screened caregivers with IHSS recipients who need care; providing training for IHSS providers and consumers; administering the IHSS provider health plan benefits, providing support to the IHSS PA Advisory Committee; and performing any other functions as may be necessary for the operation of the PA.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

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

- Maintained an average of 213 available caregivers on the Registry to match with IHSS recipients. Given the average population of 2,843 IHSS consumers, this average is below the commonly established 10% goal. The reason this variance occurred is because the Registry was closed for a period of time in FY2010/11 due to laws implemented by the State to not restrict caregivers based on felonies committed. The PA was able to re-start recruitment in February 2011 when the laws were changed and has received over 250 interest forms. Of these 250, the PA has interviewed over 100 individuals, of which, only 25 have been added to the Registry. This is due to applicants' failure to pass the interview and/or reference check phase of the recruitment process.
- Had a 51% success rate in matching available providers with IHSS consumers within 20 days, despite having less staff to provide services. The reduction in staff has resulted in an increased time to match by 5 days, and in the inability to provide enhanced services to difficult-to-serve or limited-English speaking consumers.
- Provided over 5,500 IHSS consumers and caregivers' access to training and information through the launching of a website, distribution of a newsletter, and annual outreach conference. Providing actual training has been an ongoing challenge, given the diminishing resources of both governmental and non-governmental entities. The PA was able to partner with community-based organizations, however, and presented 15 hours of training on caregiver resources.

WORKLOAD INDICATORS

During the period of January 2011 through December 2011, H&SS' staff supporting the Public Authority received and processed 300 referrals from the Older and Disabled Services program, resulting in 149 successful matches between providers and consumers. During the same time period, staff: (1) assisted in the transition of provider enrollment activities to the IHSS program by providing orientation and fingerprint processing for over 1,000 individuals, (2) received and processed health benefits paperwork for an average of 600 IHSS providers per month, and (3) maintained a waiting list of over 530 IHSS providers.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$549,043 represents decreases of \$4,369, or 1%, in both Revenues and Appropriations when compared to FY2011/12 Adopted Budget.

The primary funding source for the Division is an operating transfer-in of \$540,943 from the IHSS Public Authority budget (Fund 152, BU 1520).

SUMMARY OF POSITION CHANGES

No changes in positions allocations.

PENDING ISSUES AND POLICY CONSIDERATIONS

Several proposals have been made in the Governor's Budget and by the Assembly for reducing IHSS expenditures in FY2012/13. In the event that any of these proposals reduce the number of paid provider hours, that reduction may reduce the

amount of funding for H&SS' staff and operating costs for administration of IHSS PA activities. However, State funding for administration of IHSS Pas statewide is now based on an allocation as opposed to a rate per paid provider hour, and reductions for administration will be less impacted by reductions to service hours.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Charges For Services	0	0	8,100	8,100	0%
Other Financing Sources	503,268	553,412	540,943	(12,469)	(2%)
TOTAL REVENUES	503,268	553,412	549,043	(4,369)	(1%)
APPROPRIATIONS					
Salaries and Employee Benefits	369,911	397,823	385,781	(12,042)	(3%)
Services and Supplies	77,819	81,601	96,186	14,585	18%
Other Charges	57,353	36,779	19,394	(17,385)	(47%)
Other Financing Uses	19,964	21,385	19,299	(2,086)	(10%)
Intra-Fund Transfers	(21,778)	15,824	28,383	12,559	79%
TOTAL APPROPRIATIONS	503,268	553,412	549,043	(4,369)	(1%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Reductions in the FY2012/13 Recommended Budget Appropriations have resulted from reductions in Countywide Administrative Overhead charges and the elimination of the mail service delivery of the IHSS Quarterly Newsletter. Communication with various IHSS stakeholders, including the IHSS Newsletter, will be done through email and the County's IHSS website.

The FY2012/13 Budget also includes a projected \$8,100 in fees to be generated for processing caregiver fingerprints and permits, a new service to be offered by the Solano County IHSS Public Authority.

DEPARTMENTAL PURPOSE

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

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 statewide, 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 is administered within the Public Health Division of Solano County Health & Social Services (H&SS).

FUNCTION AND RESPONSIBILITIES

Under Proposition 99, H&SS TPEP is designated as the Local Lead Agency for tobacco control and reducing tobacco use in Solano County. The TPEP is required to focus on:

- Countering pro-tobacco influences;
- Reducing exposure to secondhand smoke;
- Reducing the availability of tobacco;
- Promoting tobacco cessation services; and
- Building local assets to support local tobacco control interventions.

In addition, TPEP is required to conduct a community-based needs assessment every three years, implement health education interventions and behavior change programs focused on policy and community norm changes, and maintain a community coalition to advise TPEP and H&SS.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

In 2011, TPEP:

- Received a five-year \$1.26 million Community Transformation Grant. The funds are provided by the U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion for Community Transformation Initiative activities. The activities include promoting smoke-free multi-unit housing; limiting access to sugary beverages; chronic disease self-management; and safe routes to school and enhancing walkable communities. The Solano County Tobacco Education Coalition will serve as the basis for the Leadership Committee for this effort.
- Collaborated with Solano Community College to introduce a smoke-free campus environment.
- Continued to collaborate with local housing authorities to introduce smoke-free housing policies in multi-housing units.

WORKLOAD INDICATORS

In 2011, TPEP:

- Provided two trainings to the Solano County Tobacco Education Coalition and the community. The first training focused on emerging tobacco products, which replace existing, traditional tobacco products -- some products resemble cough drops, lozenges, and lollipops. The second training focused on health risks associated with second and third-hand smoke risks. More than 50 community members attended the events.
- Secured one of four local resolutions to be secured, over three years, in support of the FDA banning the use of menthol in cigarettes and other products. The resolution from the Solano County Board of Supervisors is in support of the Federal Drug Administration's (FDA) banning the use of menthol in cigarettes and other tobacco products. In an earlier ruling, the FDA banned the use of "flavors" in cigarette products, but did not include menthol.

7950 – Fund 390-Tobacco Prevention & Education Summary of Other Administered Budgets
Patrick Duterte, Director of Health & Social Services
Health/Hospital Care

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget of \$290,720 for the Tobacco Prevention and Education Program represents an overall increase of \$66,307, or 29%, in Revenues and Appropriations when compared to the FY2011/12 Adopted Budget. There is no County General Fund contribution to this budget.

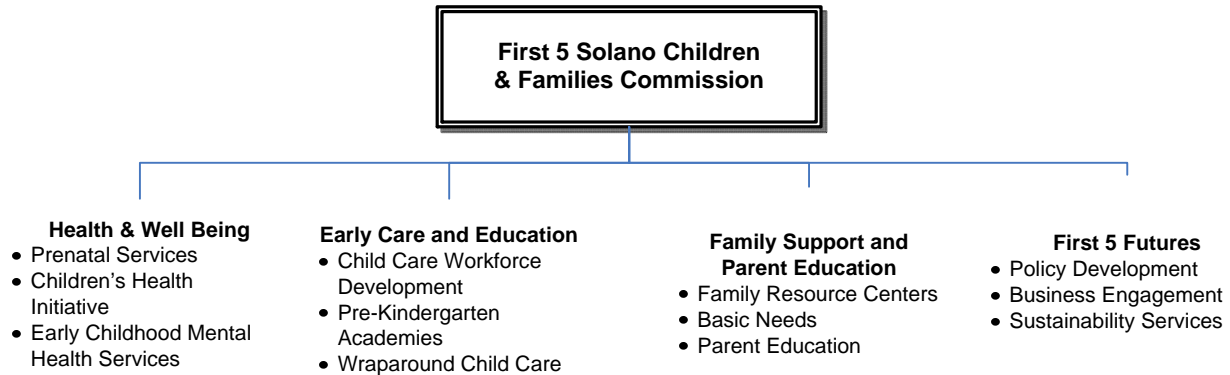
The primary funding source for TPEP is the State of California Tobacco Prevention and Education Fund Allocation.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	410	946	950	4	0%
Intergovernmental Rev State	181,625	223,467	289,770	66,303	30%
Charges For Services	8,375	0	0	0	0%
TOTAL REVENUES	190,410	224,413	290,720	66,307	30%
APPROPRIATIONS					
Salaries and Employee Benefits	142,302	12,647	10,740	(1,907)	(15%)
Services and Supplies	21,293	17,486	134,878	117,392	671%
Other Charges	37	1,950	3,479	1,529	78%
Other Financing Uses	14,844	192,330	141,623	(50,707)	(26%)
TOTAL APPROPRIATIONS	178,476	224,413	290,720	66,307	30%

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The increase in revenues of \$66,307 is primarily due to appropriating funds from the three-year State Tobacco Prevention and Education Allocation unspent in the prior year.

The increase in appropriations of \$66,307 is primarily the result of a \$122,034 increase in consulting services, partially offset by personnel costs transferred to Public Health. In FY2011/12 H&SS changed the methodology for accounting for personnel; these expenditures are now being charged to BU 7826. Any net decrease in TPEP personnel cost will be absorbed by Public Health.



DEPARTMENTAL PURPOSE

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

First 5 Solano’s strategic investments of over \$4 million annually are deployed to leverage more than \$5.5 million more in local, state, federal and foundation dollars for Solano County’s youngest children, supporting community

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

Budget Summary:	
FY2011/12 Third Quarter Projection:	7,567,462
FY2012/13 Recommended:	5,726,885
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	7.0

FUNCTION AND RESPONSIBILITIES

First 5 Solano funds programs in accordance with its Strategic Plan Priority areas of Health and Well-Being (prenatal, early childhood mental health and children’s health services), Early Care and Education (child care workforce development, child care quality improvement, pre-Kindergarten academies and child care wraparound services) and Family Support (family resource center and parent education services). In addition, First 5 Solano is implementing a five-year “First 5 Futures” initiative designed to generate funding from alternative sources to sustain vital young children’s programs. First 5 Solano directly operates several programs, such as partnering with the business community through the BEST (Business Engagement Strategy Team) Approach, providing information on parenting to new parents, participating in community events and pursuing policies that strengthen the infrastructure and safety net of services for children ages 0-5 and their families.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Successfully challenged the legality of the enactment of AB99, which would have reduced the First 5 Commission resources by over 50% and caused significant disruption in funded services in the community.
- Updated the Commission’s Strategic Plan, featuring key criteria (evidence-based services, a focus on high risk/high need, coordination, collaboration, leveraging and access).as components of the Strategic Plan Framework.
- Approved a 2012-2015 Program Investment Plan with over \$13.8 million in programmatic investments to support the Commission’s mission and vision for Solano County’s young children.
- Continued to post impressive program and initiative results, including:
 - 180 children with serious mental/developmental needs made progress in treatment, lessening the chances and/or

Christina Arrostuto, Executive Director
Health

severity of future special education and other service needs.

- 324 babies of high-risk mothers were born healthy, full-term and free of alcohol, tobacco or other drugs.
- 294 young children at risk of foster care system involvement were kept safety in their homes and communities through neighborhood-based, multi-disciplinary team home visiting and case conferencing.
- 667 young children were afforded access to health insurance coverage, with an additional 169 children supported directly through premium payments.
- A \$7,000 Business Challenge Grant was leveraged to generate \$28,000 for the “Reach Out and Read” program, supplying 19,000 books to children at their well-baby checkups.
- A successful partnership with CA State Prison Solano resulted in creation a family-friendly visiting environment for young children with incarcerated parents.

WORKLOAD INDICATORS

- During the period of July 1, 2011 – June 30, 2012, First 5 Solano managed 30 direct-service contracts for over \$5.2 million, which provided services to approximately 10,000 children, on par with prior years’ service levels.
- During the same 12-month period, First 5 Solano’s BabyFirst Solano Initiative partners provided prenatal health screenings for over 1,800 pregnant women.
- First 5 staff and grant-writing funds helped the Solano Coalition for Better Health secure an \$800,000 federal grant for oral health services.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2010/11 ACTUAL	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FIRST 5 SOLANO	5,064,390	4,841,852	4,188,461	(653,391)	(13) %
TOTAL REVENUES	5,064,390	4,841,852	4,188,461	(653,391)	(13) %
APPROPRIATIONS					
FIRST 5 SOLANO	7,734,820	7,657,212	5,726,885	(1,930,327)	(25) %
TOTAL APPROPRIATIONS	7,734,820	7,657,212	5,726,885	(1,930,327)	(25) %
CHANGE IN FUND BALANCE					
FIRST 5 SOLANO	2,670,430	2,815,360	1,538,424	(1,276,936)	(45) %
CHANGE IN FUND BALANCE	2,670,430	2,815,360	1,538,424	(1,276,936)	(45) %

STAFFING					
FIRST 5 SOLANO	9	8	7	-1	-13 %
TOTAL STAFFING	9	8	7	-1	-13 %

DEPARTMENTAL BUDGET SUMMARY

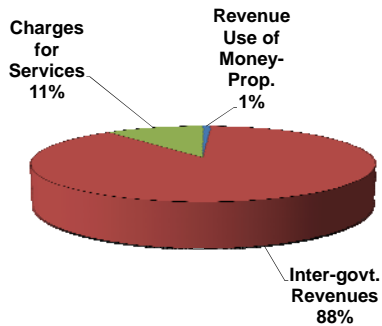
The Recommended Budget for First 5 Solano of \$5,726,885 represents a \$653,391 decrease in revenues and a \$1,930,327 decrease in appropriations. The reduction in revenue is primarily due to a \$492,900 decrease in a State Grant for School Readiness. The reduction in allocations is based on a more austere grant approach and reduced operational expenses.

The primary funding source for the Department, Proposition 10 Tobacco Tax, is declining, as tobacco sales were meant to decline with the increased recognition of the dangers of smoking. To meet this challenge, the Department is focused on a new effort called First 5 Futures, which is in the third year of a five-year plan seeking to sustain services in the community by

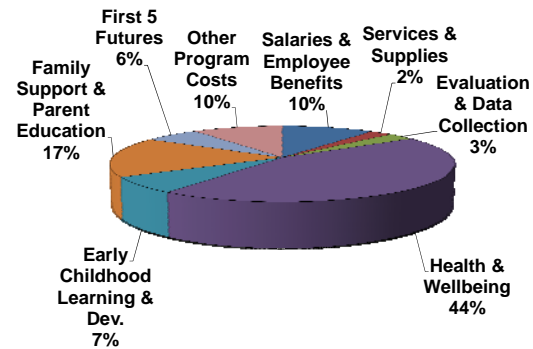
replacing half of the Department’s revenues with alternative sources of funding from other government and foundation grants and business partnerships. To date, the Commission has secured almost \$1.1 million in other revenue sources for community programs.

The primary cost centers are grant-funded initiatives and internally run programs and services. First 5 Solano will initiate the first year of a 3-year funding cycle in FY2012/13, with over 35 contracts totaling \$13.8 million over 3 years, for services to children ages 0-5 and their families.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	132,525	65,635	35,751	(29,884)	(46%)
Intergovernmental Rev State	3,771,020	3,783,595	3,652,988	(130,607)	(3%)
Intergovernmental Rev Federal	664,628	536,622	43,722	(492,900)	(92%)
Charges For Services	436,838	456,000	456,000	0	0%
Misc Revenue	59,379	0	0	0	0%
TOTAL REVENUES	5,064,390	4,841,852	4,188,461	(653,391)	(13%)
APPROPRIATIONS					
Salaries and Employee Benefits	989,166	952,195	748,185	(204,010)	(21%)
Services and Supplies	239,447	155,866	136,748	(19,118)	(12%)
Other Charges	6,464,465	6,506,794	4,813,286	(1,693,508)	(26%)
Other Financing Uses	41,679	42,357	28,666	(13,691)	(32%)
Intra-Fund Transfers	63	0	0	0	0%
TOTAL APPROPRIATIONS	7,734,820	7,657,212	5,726,885	(1,930,327)	(25%)
CHANGE IN FUND BALANCE	2,670,430	2,815,360	1,538,424	(1,276,936)	(45%)

SUMMARY OF SIGNIFICANT ADJUSTMENTS

In FY2011/12, reserves were appropriated to cover the \$9,000,000 potential exposure of AB99. The First 5 Solano Commission, in partnership with several other County Commissions throughout the state, successfully challenged the legality of AB99, which resulted in the Courts invalidating the legislation. There was also a decrease of \$492,900 in State Revenue from First 5 California, as it ended its matching fund support for the School Readiness. Funds remaining from FY2011/12 will be returned to fund balance and allocated as part of the next 5 year strategic planning cycle.

Christina Arrostuto, Executive Director
Health

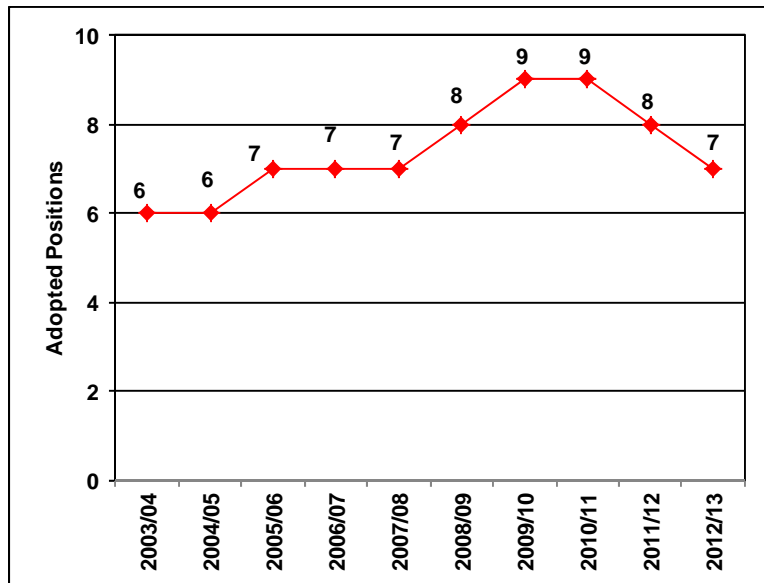
SUMMARY OF POSITION CHANGES

First 5's Proposition 10 Tobacco Tax has and will continue to decline over time as its intended purpose of reducing smoking is achieved. For FY2012/13 and beyond, the Commission adjusted its spending plan to accommodate a stable albeit lower level of spending. The following position changes are being recommended in the FY2012/13 Budget to ensure that First 5's highest priority operational needs are met while aligning with available funding in the FY2012-2015 funding cycle,

Delete 1.0 FTE Administrative Secretary

Reclassify 1.0 FTE Accounting Clerk II to a 1.0 FTE Office Assistant III

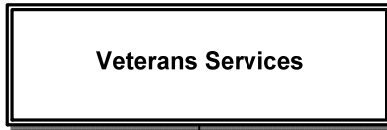
STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

- Of its \$5.7 million Recommended Budget, First 5 Solano currently holds contracts with Solano County Health and Social Services (H&SS) amounting to about \$1.2 million annually. Thus, significant changes at the state level to health and social services programs could directly impact First 5 programs. There are also significant potential negative impacts for First 5 Solano's direct-service contracts with many city, school district and community partners serving approximately 10,000 children annually.
- Solano County has three advisory boards for children's issues: The Children's Alliance, The Child Abuse Prevention Council (CAPC), and the Local Child Care Planning Council. These councils' memberships consist of experts in the field of early childhood, education, child abuse prevention, incarceration, and health services. They provide recommendations to the Board of Supervisors on children's issues. On March 27, 2012, the Board of Supervisors merged the CAPC with the Children's Alliance, and transferred the responsibility for oversight and contract monitoring from H&SS to CAO/First 5 Division, effective July 1, 2012. Under this framework, CAO/First 5 Staff will work with Children's Network, which provides staff to the councils. A new set of By-laws reflecting the merger of the Children's Alliance and CAPC will be drafted. It will define appropriate membership categories designed to fulfill the mission of these groups and maximize their effectiveness, while ensuring that legal mandates are addressed. The new By-laws will be brought forward to the Board of Supervisors in the first few months of FY2012/13.

The FY2012/13 Recommended Budget for Children's Network's administrative support of these councils remains on par with FY2011/12 levels. It is anticipated that once the By-laws have been revised, membership established, and a new model for service delivery has been adopted, the merger of the Children's Alliance and CAPC should result in a reduction of the County General Fund support. A separate Budget Unit 1570 is being established to track First 5's administration and program costs related to the transferred responsibility of overseeing these councils.



Veterans Services

- Claim Activities
- Dependents Tuition Fee Waiver
- Community Outreach and Education
- Advocacy for Veterans in Most Matters

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:	
FY2011/12 Third Quarter Projection:	575,018
FY2012/13 Recommended:	459,314
County General Fund Contribution:	314,314
Percent County General Fund Supported:	68.4%
Total Employees (FTEs):	4

FUNCTION AND RESPONSIBILITIES

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

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

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

WORKLOAD INDICATORS

From January 1, 2011 through December 31, 2012:

- CVSO assisted in filing 3,548 claims that resulted in the award of 1,856 benefits to veterans, their dependents or survivors. These awards resulted in an increase of over \$570,000 in monthly benefits paid, which is more than \$6.5 million on an annualized basis. Also, as a result of these claims, over \$3.9 million in retroactive benefits were paid and lump-sum payments of \$416,000 were made.
- CVSO provided 1,156 Disabled Veterans' Dependents Fee Waivers, which grants a waiver of tuition and fees to the eligible dependents of disabled veterans, for savings of \$5.2 million to the veterans.
- CVSO's TAP assisted 175 separating service members from TAFB in applying for benefits.

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

Functional Area Summary

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2010/11 ACTUAL	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
VETERANS SERVICES	138,225	145,000	145,000	0	0 %
TOTAL REVENUES	138,225	145,000	145,000	0	0 %
APPROPRIATIONS					
VETERANS SERVICES	576,574	571,408	459,314	(112,094)	(20) %
TOTAL APPROPRIATIONS	576,574	571,408	459,314	(112,094)	(20) %
NET COUNTY COST					
VETERANS SERVICES	438,349	426,408	314,314	(112,094)	(26) %
NET COUNTY COST	438,349	426,408	314,314	(112,094)	(26) %
STAFFING					
VETERANS SERVICES	5	4	4	0	0 %
TOTAL STAFFING	5	4	4	0	0 %

DEPARTMENTAL BUDGET SUMMARY

The Proposed Budget for FY2012/13 of \$459,314 represents no change in Revenues of \$145,000, and a decrease of \$112,094, or 20%, in Appropriations when compared to the FY2011/12 Adopted Budget. As a result, Net County Cost is decreased by \$112,094, or 26%.

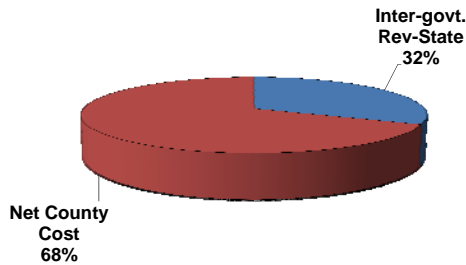
The decrease in Appropriations is primarily due to reductions in retirement costs and accrued leave payoff. The previous director retired in July 2011 after 26 years of service to the County. In addition an Office Assistant II and Veterans Benefits Counselor also retired in FY2011/12. The payoff for these retiring employees was included in the FY2011/12 budget. There are no anticipated retirements for FY2012/13.

The CVSO is primarily funded by the General Fund; however, it should be noted the CVSO brings in millions of dollars that benefit Solano County's economy. Projected expenditures are largely attributable to lower costs of employee benefits following labor cost changes. Revenues received come from the State through a Subvention program that provides \$2.6 million statewide to help offset costs to counties for providing services to veterans. This funding is distributed based on individual counties' workload data. Solano County has consistently ranked in the top 5 or 6 counties for workload, and consequently, for Subvention revenue received. Funding for FY2012/13 is expected to remain at the same level as budgeted for the prior two years.

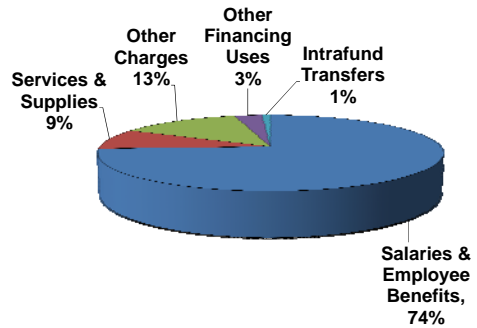
DEPARTMENT COMMENTS

As part of the countywide effort to address the General Fund's operational funding deficit, the Department is reducing its labor costs by filling vacancies with new employees at lower salary levels, with corresponding savings in costs of employee benefits too. Accrued Leave Payoff budgeted in FY2011/12 for the retirement of the prior Department Director and negotiated employee labor concessions factor in the reduced Salary and Benefit costs as well as the overall 20% decrease in appropriations recommended for FY2012/13 when compared to the FY2011/12 Adopted Budget.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2010/11 ACTUALS	2011/12 ADOPTED BUDGET	2012/13 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	138,225	145,000	145,000	0	0%
TOTAL REVENUES	138,225	145,000	145,000	0	0%
APPROPRIATIONS					
Salaries and Employee Benefits	442,978	452,622	340,313	(112,309)	(25%)
Services and Supplies	36,150	48,096	39,581	(8,515)	(18%)
Other Charges	76,976	50,879	61,170	10,291	20%
Other Financing Uses	19,231	16,311	13,958	(2,353)	(14%)
Intra-Fund Transfers	1,238	3,500	4,292	792	23%
TOTAL APPROPRIATIONS	576,574	571,408	459,314	(112,094)	(20%)
NET COUNTY COST	438,349	426,408	314,314	(112,094)	(26%)

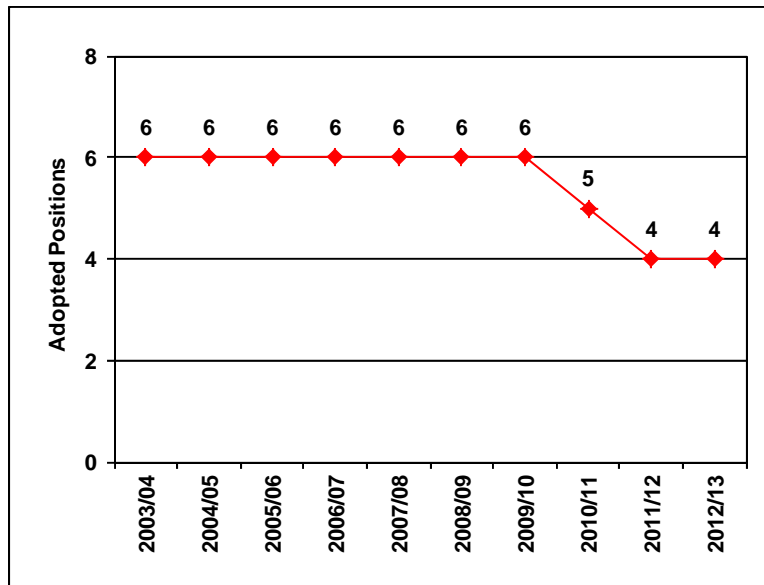
SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

There are no changes in the position allocation.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

None.