



AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

ITEM TITLE		BOARD MEETING DATE	AGENDA NUMBER
Conduct Budget Workshop #5, regarding FY2011/12 Budget preparation, and receive presentations from representatives of the Solano non-profit community on the impact of FY2011/12 General Fund reductions		March 1, 2011	25
Dept:	County Administrator's Office	Supervisorial District Number	
Contact:	Robert C. Lawton	ALL	
Phone:	707-784-6116		
Published Notice Required?		Yes _____	No <u> X </u>
Public Hearing Required?		Yes _____	No <u> X </u>

DEPARTMENTAL RECOMMENDATION:

Staff recommends that your Board conduct Budget Workshop #5, regarding FY2011/12 Budget preparation, and receive presentations from representatives of the Solano non-profit community on the impact of FY2011/12 General Fund reductions.

Staff has arranged for the Board to receive presentations from representatives of the Solano Non-Profits Coalition, the Reducing Rates Coalition and the Health Access Coalition regarding the impact of FY2011/12 General Fund reductions on service delivery by, and the organizational stability of, non-profit and community-based organizations.

SUMMARY:

Solano County projects a \$20 million structural budget deficit for FY2011/12, excluding any potential decreases in state or federal revenue or unfunded program realignments. Preparatory to the FY2011/12 budget process, the Board of Supervisors convened on August 31, 2010 the first of four Budget Workshops to review County programs and expenditures, including support for non-profit organizations and community-based organizations (NPO/CBO).

On October 26, 2010, during Budget Workshop #3, the Board approved deletion of (23.7) vacant FTE proposed by the County Administrator's Office, for a projected FY2011/12 General Fund cost reduction of (\$625,243).

On December 7, 2010, during Budget Workshop #4, the Board approved additional program reductions proposed by the County Administrator's Office for a projected FY2011/12 General Fund cost reduction of (\$4,431,686).

The December proposal included a reduction of (\$1,864,500) in General Fund support for NPO/CBOs (Attachment A). This included (\$1,596,000) in General Fund backfill for programs previously funded by Tobacco Master Settlement Agreement (MSA) revenues. Since FY2008/09, General Fund monies have been used to replace MSA funds repurposed for the construction of Health and Human Services clinics, labs and facilities in Vallejo, Fairfield and Vacaville. FY2010/11 marks the final year of the Board's three year commitment to fund the MSA Strategic Plan with General Fund dollars.

Other elements of the December proposal include reductions of: (\$99,000) for Children's Alliance staff support; (\$85,000) for Court Appointed Special Advocates (CASA), following the expiration of a five-year support agreement executed in 2005; (\$44,000) for Senior Coalition staff support; and, (\$30,000) for Faith In Action transportation program expenses.

The December proposal was silent with respect to \$127,500 in General Fund monies backfilling Federal revenue reductions to the Promoting Safe and Stable Families initiative. Since FY2005/06, the County has appropriated General Fund monies to replace lost Federal funds for the Children's Network and the county's seven Family Resource Centers. Such a backfill is contrary to stated County policy and was not included in Recommended Budgets; rather, it was added each year during Budget Hearings. Absent specific direction, continuing this backfill in the FY2011/12 Recommended Budget is unlikely.

At the December 7 Budget Workshop, the Board moved to accept the proposal with respect to reductions for FY2011/12, while instructing that no agency be defunded during FY2010/11. The Board also directed the scheduling of an additional Workshop with county non-profit organizations and community-based organizations, particularly those impacted by the proposed reductions. This Non-Profit Workshop is convened pursuant to that direction.

Presenting participants include the Solano Non Profits Coalition, the Health Access Coalition and the Reducing Rates Coalition.

The Non-Profits Coalition has submitted alternative strategies for discussion during the March 1 workshop (Attachment B), as well as an expanded Leveraged Funds report, which includes funds raised independently from sources other than the County, as well as a valuation of volunteer hours mobilized (Attachment C). Volunteer service is assigned a valuation of \$23.29 per hour, based upon Independent Sector reports.

The Reducing Rates Coalition, which will make a presentation during the Workshop, has submitted a two-year funding request, covering FY2011/12 and FY2012/13 (Attachment D). The Health Access Coalition will also make a presentation during the workshop, and its FY2011/12 funding request is found at Attachment E.

FINANCING:

The FY2010/11 Working Budget appropriates a total of \$2,271,990 in subobject 3701, Contributions to Non-County Agencies (Contributions), detailed in Attachment F. In this context, "Non-County Agencies" includes not only NPS/CBOs, but cities, fire districts, fair boards and joint powers authorities as well.

- General Fund Contributions account for \$622,215 of the FY2010/11 Contributions. Of this amount, \$573,115 is appropriated for NPO/CBOs and \$49,100 is appropriated for other entities.
- Non-General Fund monies account for \$1,649,775 of subobject 3701 appropriations, including \$458,430 in Public Facility Fees for the Vacaville Library, \$313,522 in Homeland Security grant pass-throughs, \$258,413 for the Suisun Marsh Fund and \$200,000 for the Fish and Wildlife Fund,

The FY2010/11 Working Budget also appropriates an additional \$2,639,400 in wholly discretionary General Fund Contributions for Tobacco Master Settlement Agreement (MSA) activities (Attachment G). This appropriation fulfills the final year of the Board's three-year commitment to replace MSA funds with General Fund support following the 2008 repurposing of MSA money from programming to Health and Social Services facility construction and rehabilitation.

The FY2010/11 Working Budget further appropriates \$20,970,154 for contracts under which NPO/CBOs partner with the County in providing direct public services through various non-discretionary programs (Attachment H).

DISCUSSION:

Through its appropriations, the Board of Supervisors has consistently supported community-based organizations, activities and solutions vital to the well-being of Solano County residents. Some appropriations represented the culmination of a lengthy planning process; others were made in response to an urgent community need. Now, however, needs exceed capacity and a coordinated, prioritized approach is necessary to deploy the County's constrained resources.

Solano County partners with NPO/CBOs to provide direct public services and pursue critical program goals. In some cases, primarily as set forth in Attachments F and G, the relationship is defined by Board initiative and supported with discretionary General Fund monies. In other cases, as set forth in Attachment H, that relationship is defined by intergovernmental programs and mandates, executed under the County Purchasing Policy and funded by a mixture of federal, state and local revenues.

As Solano County addresses a \$20 million structural deficit in the context of a state and national fiscal crisis, it has reduced expenditures and programs in every area. Since FY2008/09, General Fund revenues have decreased by (\$25 million) and the County workforce has been reduced by (504) FTE. Every County department has been deeply affected, whether in general government, public protection or human services.

During previous budget processes, June budget hearings have been the primary platform for examining the program relationship between the County and its community partners. Even in years of plenty, such discussions tend to focus on the tactical, rather than the strategic - the merits of an individual appropriation, rather than the appropriation's impact in the community and its relationship to County priorities and activities.

The Board's direction to receive for discussion these presentations provides a meaningful opportunity for a more extended dialogue, at a point in the budget process when decisions can be considered carefully before being taken. To that end, participants have been asked to address the points included in Attachment I during their presentations.

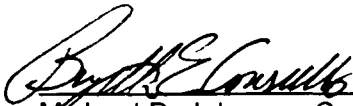
ALTERNATIVES:

The Board could choose not to receive reports from these NPO/CBOs. Staff does not recommend this alternative, as the additional information would inform Board decision-making during a challenging budget process.

OTHER AGENCY INVOLVEMENT:

Staff from the Health and Social Services Department assisted in developing information for this report, and the Solano Non Profit Coalition assisted in coordinating the presentations.

DEPARTMENT HEAD SIGNATURE:



Michael D. Johnson, County Administrative Officer

- Attachment A - FY2011/12 General Fund Reduction Proposals Submitted on 12/07/10: pp. 5 - 6
- Attachment B - Alternative General Fund Reductions - Solano Non Profit Coalition: pp. 7 - 11
- Attachment C - FY2010/11 Solano Non Profit Coalition Leverage Report: pp. 12 - 14
- Attachment D - Reducing Rates Coalition Funding Request, FY2011/13: pp. 15 - 20
- Attachment E - Health Access Coalition Funding Request, FY2011/12: pp. 21 - 24
- Attachment F - Contributions to NonCounty Agencies FY2010/11, Budget Subobj 3701: p. 25
- Attachment G - General Fund Support for MSA Strategic Plan Activities: pp. 26 - 29
- Attachment H - Contracted NonProfit Service Providers, Non Discretionary Pgms.: pp. 30 - 31
- Attachment I - Points to be addressed by presenters: p. 32