Health and Social Services

Administration
- Budget & Financial Management
- Research & Planning
- Compliance
- Contract Management

Behavioral Health
- Mental Health
- Substance Abuse

Social Services
- Employment & Eligibility
- Special Investigations Bureau (SIB) & Welfare Administration
- Child Welfare Services
  - Child Protective Services
  - Foster Care
  - Adoptions
- Older and Disabled Adult Services
  - Adult Protective Services
  - Public Guardian
  - In-Home Support Services (IHSS) Program Administration
- In-Home Supportive Services (IHSS) Public Authority Administration

Public Assistance Programs
- CalWORKs
- Foster Care
- Adoptions
- General Assistance
- Refugee Assistance
- IHSS Provider Wages

Health Services
- Public Health
- Family Health Services
- Medical Services

DEPARTMENTAL PURPOSE

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

Budget Summary:	
FY2013/14 Third Quarter Projection:	256,957,910
FY2014/15 Recommended:	289,195,146
County General Fund Contribution:	20,296,041
Percent County General Fund Supported:	7.0%
Total Employees (FTEs):	1217.35

FUNCTION AND RESPONSIBILITIES

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

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

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

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

- CWS intervenes on behalf of children who need protection from abuse and neglect. The ultimate goal of CWS is to preserve the family, whenever possible. The functions of CWS include programs to strengthen families, adoption assistance, foster home licensing, placement assessment, and independent living guidance so children may grow into healthy productive adults.
- ODAS focuses on comprehensive, integrated assistance for older and disabled adults, including domestic and personal In-Home Supportive Services (IHSS), the investigation and prevention of elder abuse and neglect, and assistance accessing MediCal, food stamp and cash assistance programs. The Public Guardian's Office was consolidated with ODAS in 2011 and serves as the County's guardian/conservator. Appointed by the Courts for individuals who are unable to care for themselves and/or manage their own affairs, the Public Guardian also serves as the Public Administrator when the decedent has no next of kin. The Public Administrator directs the disposition of remains and decedents' estates, as needed.

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

Health Services (BU 7880) includes Public Health, Family Health and the Medical Services Budget. The Public Health Division provides mandated community health services to promote a healthy environment for all County residents. The services include support to Emergency Medical Services (EMS), Public Health Laboratory testing, Public Health Nursing and home visiting, communicable disease surveillance, Maternal, Child and Adolescent Health programs. Family Health Services operates three primary care clinics and a pediatric clinic, three integrated care clinics, three dental clinics, dental services at WIC clinics, as well as mobile dental and mobile primary care services. The Medical Services budget provides funds for the County's medically indigent adult services through participation in the County Medical Services Program (CMSP).

The Assistance Program (BU 7900) budget includes Federal, State and County funding for all of the welfare cash assistance programs administered by H&SS. Programs include CalWORKs, Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Placements, In-Home Support Services (IHSS) provider wages, General Assistance (GA), County Only Foster Care. H&SS also administers the CalFresh (Food Stamps) program; however, CalFresh benefits are issued directly to the recipient thus these costs are not included in the County budget.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
ADMINISTRATION DIVISION	2,233,234	3,051,465	2,861,250	(190,215)	(6.2%)
BEHAVIORAL HEALTH DIVISION	69,272,244	62,801,067	60,777,572	(2,023,495)	(3.2%)
SOCIAL SERVICES DIVISION	73,148,427	85,302,164	89,499,330	4,197,166	4.9%
IHSS - PA ADMINISTRATION	989,729	697,834	1,236,643	538,809	77.2%
PUBLIC ASSISTANCE PROGRAMS	49,632,649	51,269,463	51,235,505	(33,958)	(0.1%)
HEALTH SERVICES DIVISION	44,892,332	60,636,500	57,448,973	(3,187,527)	(5.3%)
GENERAL FUND CONTRIBUTION	21,921,080	20,998,973	20,296,041	(702,932)	(3.3%)
TOTAL REVENUES	**262,089,694**	**284,757,466**	**283,355,314**	**(1,402,152)**	**(0.5%)**
APPROPRIATIONS					
ADMINISTRATION DIVISION	4,424,478	5,762,605	5,159,190	(603,415)	(10.5%)
SOCIAL SERVICES DEPARTMENT	78,664,186	90,470,721	93,870,642	3,399,921	3.8%
IN-HOME SUPPORTIVE SERVICES PA	995,225	697,834	1,236,643	538,809	77.2%
BEHAVIORAL HEALTH	62,143,165	65,621,232	69,597,734	3,976,502	6.1%
HEALTH SERVICES	46,434,692	62,168,206	59,328,027	(2,840,179)	(4.6%)
ASSISTANCE PROGRAMS	59,457,253	60,036,868	60,002,910	(33,958)	(0.1%)
TOTAL APPROPRIATIONS	**252,118,998**	**284,757,466**	**289,195,146**	**4,437,680**	**1.6%**
TOTAL NET CHANGE	**9,970,696**	**0**	**(5,839,832)**	**(5,839,832)**	**0.0%**

STAFFING					
ADMINISTRATION DIVISION	70.00	78.50	84.50	6.00	7.6%
BEHAVIORAL HEALTH DIVISION	163.00	165.50	180.00	14.50	8.8%
SOCIAL SERVICES DIVISION	560.65	605.75	640.15	34.40	5.7%
IHSS - PA ADMINISTRATION	3.75	5.00	5.00	0.00	0.0%
PUBLIC ASSISTANCE PROGRAMS	0.00	0.00	0.00	0.00	0.0%
HEALTH SERVICES DIVISION	291.55	318.90	307.70	(11.20)	(3.5%)
TOTAL STAFFING	**1,088.95**	**1,173.65**	**1,217.35**	**43.70**	**3.7%**

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents a decrease of $1,402,152 or 0.5% in revenues and an increase of $4,437,680 or 1.6% in appropriations when compared to the FY2013/14 Adopted Budget. The net cost of $5,839,832 will be funded by a reduction in the IGT Restricted Fund Balance, in fund 902.

The General Fund Contribution of $20,296,041 decreased by $702,932 due to a $413,200 reduction in Administration, $797,245 reduction in Social Services, offset by increases of $160,165 in Behavioral Health and $347,348 in Health Services.

Primary Funding Sources

The primary funding sources for H&SS are Federal and State Program revenues of approximately $136 million (48% of total); 1991 State – Local Realignment - $42.1 million, 2011 Public Safety Realignment - $36.1 million; and in Charges for Services estimated at $27.4 million. The County General Fund contribution of $20,296,041 represents 7.1% of H&SS funding and includes the required maintenance of effort for several program areas.

Program Revenue

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

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

H&SS include reimbursement for both the direct costs associated with the individual employee providing the specific service as well as Department administrative costs and direct charges from other County Departments providing support services to H&SS programs. In FY2014/15, direct charges from other County departments plus Countywide Administrative Overhead total $15 million, of which 93% or approximately $14.3 million, in Federal and State funds are used to offset the County General Fund costs for various County central service departments.

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

<u>1991 Realignment</u>

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

Since Realignment funds are generated by sales tax and VLF, the funding can fluctuate based on economic conditions; the amount of State collected and distributed revenues have substantially declined from $41.7M in FY2008/09. However, since FY2011-12, these revenues have been slowly trending upward; the FY2014/15 includes $42.1 million in 1991 Realignment funds, an increase of approximately $2.4 million.

1991 Realignment funds are allocated to three main areas:

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

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

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

2011 Realignment

The major portion of the 2011 Public Safety Realignment funding is dedicated to human service programs and substantially changed how those programs are funded in California. H&SS estimates $36.1 million in 2011 Realignment funds for FY2014/15, which is an increase of approximately $1.2 million; dedicated to Child Welfare Services, Foster Care, Mental Health, and Substance Abuse. The 2011 Realignment legislation completed the transfer of responsibility for financing human services programs from the State to the Counties. Previously under the 1991 Realignment, the counties were required to fund a certain percentage of the program costs; starting in 2011, counties are fully responsible for funding the non-federal share of these programs.

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

County General Fund

The FY2014/15 Recommended Budget includes a County General Fund contribution to H&SS in the amount of $20,296,041, a decrease of $702,932 to the FY2013/14 Adopted Budget. The reduction is comprised of the following:

- $413,200 reduction in Administration is comprised of a $288,225 transfer to First 5 over the administration of board-approved contributions to Family Resource Centers (FRCs) and $124,975 transfer of other board-approved contributions under Operating Transfers-In.
- $797,245 reduction in Social Services primarily due to funding of local match obligations with increases in 1991 and 2011 Realignment revenues.
- Increases of $160,165 in Behavioral Health and $347,348 in Health Services to fund non-claimable fixed costs within these programs (A-87, DoIT, department overhead).

The County General Fund support of $11,528,636 is appropriated for programs within H&SS as follows:

- $2,844,528 for required Maintenance of Effort for Public Health, California Children's Services, Mental Health, and CalWORKs Administration.
- $809,548 for the required CMSP participation fee.
- $252,336 in mandatory match payments for Federal/State programs for Child Welfare Services and CalWIN.
- $2,081,221 for mandated adult psychiatric inpatient services
- $2,745,715 to fund some programs at the minimum level necessary. These programs include Public Health Laboratory, Public Guardian, General Assistance Eligibility determination and administration. In most cases, these programs are supplemented by outside sources of funding, including competitive grants and charges for services.
- $2,645,288 for principal payments related to debt service and other countywide administrative costs that are non-claimable.
- $150,000 used as matching fund for non-county agencies (Second Chance Grant)

Primary Operational Expenditures

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

- Administration (BU 7501) $5,159,190 in appropriations which recovers most costs through administrative overhead intrafund transfers;
- Social Services (BU 7680) $93,870,642 in appropriations which includes Employment and Eligibility Services and CARES serving Children and Adults;

- IHSS Public Authority (BU 7690) $1,236,643 in appropriations which is a function of Social Services;
- Behavioral Health (BU 7780) $69,597,734 in appropriations which includes Mental Health and Substance Abuse;
- Health Services (BU 7880) $59,328,027 in appropriations which includes Public Health and Family Health Services;
- Assistance Programs (BU 7900) $60,002,910 in appropriations which includes California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Assistance, IHSS Provider Program, and General Assistance (GA).

Other Administered Budgets not part of Fund 902 include a $3,776,903 appropriation for the IHSS Public Authority Fund 152 – (BU 1520), an $181,188 appropriation for Tobacco Prevention and Education (Fund 390 - BU 7690) and a transfer out of $16,712,242 from the Mental Health Services Act (Fund 906 - BU 9600) to Behavioral Health Services (Fund 902 - BU 7780). Additional details on the program costs can be found in the H&SS Divisions and Other Administered Budget sections of the Recommended Budget for Health and Public Assistance.

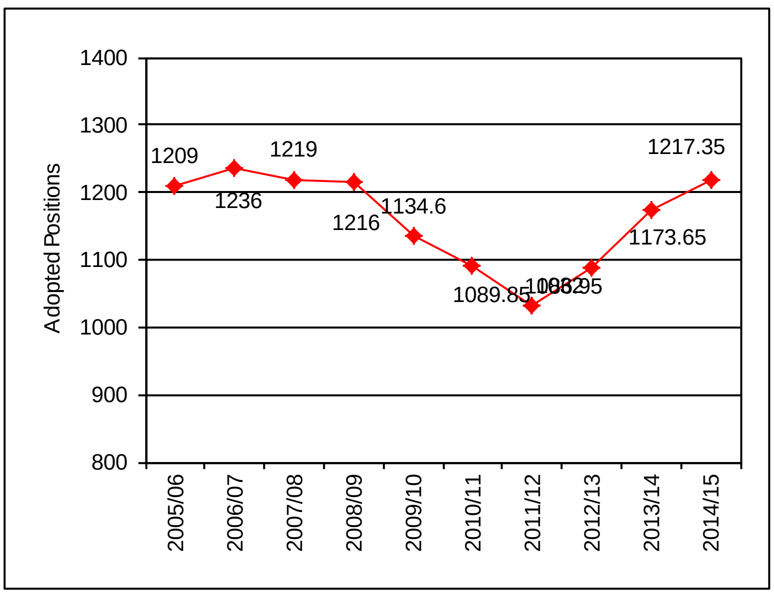
DEPARTMENT COMMENTS

None.

SUMMARY OF POSITION CHANGES

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

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

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

DEPARTMENTAL PURPOSE

Health and Social Services' (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 RESPONSIBILITIES

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Administration Division which oversees the fiscal management for the Department experienced an increase in the number of State, and Federal audits within Public Health, Family Health, Mental Health, Substance Abuse and Social Services programs. A significant amount of staff time was required in responding to these audit requests. With the implementation of the Affordable Care Act, the department anticipates the continued increase in financial reporting complexity and associated audits at the State and Federal level, including those related to medical billing, privacy, and security practices.

The Federal reimbursement process has increased the Departments responsibility to ensure that claims and bills are based on accurate program costs and in turn has increased the Divisions work in reports, claims and record keeping. The Medicaid and other funding sources based on a fee-for-service model have increased the complexity of the claims and the associated cost settlement process for impacted programs. A heightened federal and single audit requirement has also increased responsibility relating to the monitoring and verifying work and reports of contractors and sub recipients.

The Division is also continuing its efforts on electronic workflow, which will allow the Department to further enhance the automation of the purchasing process, time sheet reporting, contract processing, contract/vendor payments, and real time tracking of space needs through office use scheduling.

WORKLOAD INDICATORS

- In 2013, this division processed 492 contracts and amendments, and 15 Request for Proposals within required time constraints.
- Collaborated with Human Resources to reduce overall Department vacancy rates to 14.1% down from 17.6% in FY2012/13 while adding 86 positions to support new services in Health, Mental Health, Substance Abuse and Social Services.
- The Welfare Fraud Investigation Overpayment Recovery Unit computed and assisted in recovery of $2,051,676 in overpayments in CalWORKs, CalFresh and Welfare-to-Work, an increase of 111% compared to FY2012/13.
- The Welfare Fraud Appeals Unit had a 2% increase in the number of Appeals cases received and decisions rendered from 2012 to 2013. This slight increase (2% rather than 11% over the previous 2 years) is largely due to sufficient numbers of trained eligibility workers who are better able to address issues prior to clients requesting an appeal.

DIVISION BUDGET SUMMARY

The Recommended Budget represents decreases of $603,415 or 10.6% in revenues and appropriations when compared to the FY2013/14 Adopted Budget with a net decrease of $348,756 in County General Fund Contribution.

Primary Funding Sources

The primary sources of funding for Administration includes Intra-Fund Transfers representing reimbursement of allowable administrative costs from various H&SS program divisions, contract services revenue for administrative fees related to the oversight and coordination of the MediCal Administrative Activates (MAA) and Targeted Case management (TCM) programs on behalf of participating H&SS divisions, other county departments and community based organizations; operating transfers-in to fund board-approved contributions to non-county agencies and General Fund Contribution primarily used to fund non-reimbursable costs.

Primary Cost

Primary costs for Administration are: $9,015,107 for salaries and employee benefits; $4,412,630 for services and supplies which include MAA/TCM pass thru costs; $2,098,652 for other charges which include A-87 charges, contributions to non-county agencies, and contracted direct services for HUD grants directly administered by H&SS; $2,280,835 for other financing uses which include debt service costs; and offsetting intrafund transfers of $12,648,007 which represents the projected share of administration costs charged to all H&SS programs.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Fines, Forfeitures, & Penalty	(5,328)	0	0	0	0.0%
Revenue From Use of Money/Prop	235,442	207,436	83,500	(123,936)	(59.7%)
Intergovernmental Rev Federal	1,463,135	2,061,942	1,975,031	(86,911)	(4.2%)
Charges For Services	81,013	146,203	102,344	(43,859)	(30.0%)
Misc Revenue	23,890	353	400	47	13.3%
Other Financing Sources	435,082	635,531	699,975	64,444	10.1%
General Fund Contribution	2,232,031	2,711,140	2,297,940	(413,200)	(15.2%)
TOTAL REVENUES	**4,465,265**	**5,762,605**	**5,159,190**	**(603,415)**	**(10.5%)**
APPROPRIATIONS					
Salaries and Employee Benefits	6,866,867	8,163,993	9,015,107	851,114	10.4%
Services and Supplies	3,115,696	4,825,645	4,412,630	(413,015)	(8.6%)
Other Charges	2,288,645	3,048,903	2,098,625	(950,278)	(31.2%)
Other Financing Uses	2,071,548	2,178,529	2,280,835	102,306	4.7%
Intra-Fund Transfers	(9,918,278)	(12,454,465)	(12,648,007)	(193,542)	1.6%
TOTAL APPROPRIATIONS	**4,424,478**	**5,762,605**	**5,159,190**	**(603,415)**	**(10.5%)**
NET CHANGE	**(40,787)**	**0**	**0**	**0**	**0.0%**

STAFFING					
ADMINISTRATION DIVISION	70.0	78.5	84.5	6.0	7.6%
TOTAL STAFFING	**70.0**	**78.5**	**84.5**	**6.0**	**7.6%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2014/15 Recommended Budget projects a net decrease of $603,415 in revenues and appropriations.

The net decrease of $603,415 in revenues is primarily due to the following:

- Decrease of $123,936 in interest income due to reduced overall cash balance in fund 902.
- Decrease of $86,911 in intergovernmental revenues is due to MAA (MediCal Administrative Activities) pass thru revenues based on reduced MAA reimbursable claims.
- Decrease of $43,859 in charges for services is primarily the result of a prior year one time increase in administrative fees associated with the release of school-based MAA claims in FY2013/14 deferred by CMS.
- A net decrease of $348,756 in Other Financing Sources and General Fund Contribution is the result of one-time contributions to Non-County Agencies in FY2013/14 and contributions to Family Resource Centers being transferred to First 5 offset by FY2014/15 increases to the National Association for the Advancement of Colored People (NAACP) and Senior Coalition. For FY2014/15, all board approved contributions will be accounted for under Operating Transfers-In.

The net decrease of $603,415 in appropriations is primarily due to the following:

- Increase of $851,114 in Salaries and Benefits primarily due to the addition of 4.0 FTE positions, approved increases in salaries and benefits, reclassification of certain fiscal positions, an overall fiscal restructuring within Administration, and full year-funding of the positions approved for a Compliance Unit that were allocated in FY2013/14.

- Decrease of $413,015 in Services and Supplies due to a reduction in contracted services.
- Decrease of $950,278 in Other Charges due to decrease in interest expense of $163,789 resulting from reduced carrying balances of deferred revenue accounts in Fund 902, net decrease of $347,759 in contributions to non-county agencies (transferred to another budget) referenced under Other Financing Sources, and decrease of $413,513 in A-87 charges.
- Increase of $102,306 in Other Financing Uses due to an increase in debt service costs of $77,766 and increase in POB costs of $24,540.
- Increase of $193,542 in offsetting Intrafund Transfers primarily due to the increase of claimable salaries and benefits costs offset by decreases in services and supplies and charges for services. Administration costs that are claimable to federal and State programs are transferred to program division budgets via the intra fund transfer account.

SUMMARY OF POSITION CHANGES

Changes in the position allocation since the adoption of the FY2013/14 Budget are provided below:

- A Board of Supervisor's resolution was approved on May 13, 2014 to add 1.0 FTE Deputy Compliance and Quality Assurance Manager.

The FY2014/15 Recommended Budget includes the addition of the following 5.0 FTE positions:

- 1.0 FTE Homeless Coordinator / TBD to provide program oversight for HSS HUD-funded programs, coordinate and support local agencies in providing housing assistance through HUD sponsored programs.
- 1.0 FTE Planning Analyst, and 1.0 FTE Staff Analyst to provide support in developing evidence based outcome measures and restructuring high quality program components into a unified system of care. The Research & Planning unit will coordinate with division level staff.
- 1.0 FTE Staff Analyst to provide complex revenue and expenditure analysis for the Behavioral Health PFA team resulting from legislative changes that have significantly changed the financing for Behavioral Health services.
- 1.0 FTE Employment Services / TBD to provide oversight and coordination of administrative functions including recruitment, staff development, and training.

The FY2014/15 Recommended Budget includes the following reclassifications based on Human Resources assessment and determination:

- Reclassify 1.0 FTE Staff Analyst to 1.0 FTE Senior Staff Analyst (effective 7/6/14)
- Reclassify 1.0 FTE H&SS Financial Manager to 1.0 FTE Director of Administrative Services (effective 7/6/14)
- Reclassify 1.0 FTE Accounting Supervisor to 1.0 FTE Fiscal Services Specialist / TBD (effective 7/6/14)
- Reclassify 1.0 FTE Accountant to 1.0 FTE Senior Accountant (effective 7/6/14)
- Reclassify 2.0 FTE Accounting Clerk III to 2.0 FTE Accounting Clerk II (effective 7/6/14)

PENDING ISSUES AND POLICY CONSIDERATIONS

Federal oversight and reporting requirements have increased significantly. Phase 2 installment of 2011 realignment, which also impacted 1991 realignment, created a higher level of complexity in financial reporting within our Social Services and Behavioral Health Services programs.

The implementation of AB1297 along with the implementation of the State and Federal actions for the Affordable Care Act (ACA) drastically changed the reimbursement and rate structure for Mental Health and Substance Abuse. ACA, as related to the newly eligible Medical clients, brings in a new level of complexity for projecting revenues within Mental Health and Substance Abuse including those services associated with EPSDT, Katie A, managed care and inpatient costs, and Drug MediCal.

In December 2013, the federal government released the Office of Management and Budget (OMB) supercircular with an implementation date of December 2014. This contains the final rule to the uniform administrative requirements, cost principles, and single audit requirements for federal awards and streamlines eight existing federal regulations into a single, comprehensive policy guide. The OMB supercircular significantly impacts the department including our oversight of sub recipients and vendors. The department expends approximately $70M in federal awards.

The department has also seen a heightened level of scrutiny in terms of fiscal and compliance audits within Social Services, Health Services, Mental Health and Substance Abuse. This extends to audits by the California Department of Healthcare Services for contract providers within all the programs supported.

DIVISION PURPOSE

The Behavioral Health Division includes Mental Health, Mental Health Managed Care, and Substance Abuse. Integration of these programs allows the Department of Health and Social Services (H&SS) to efficiently monitor and manage programs and expenses as a comprehensive behavioral health system of care.

FUNCTION AND RESPONSIBILITIES

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

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

- Managed-care services, treatment, rehabilitation and community-support services to seriously emotionally disturbed children and seriously mentally ill adults through county and contract providers;
- Cost-effective services that promote self-reliance and safeguard the physical, emotional, mental and social well-being of Solano residents who are placed in board and care homes with assistive case management to attain self-sufficiency;
- Services to recently realigned State parolees, now the responsibility of counties under AB 109; and
- Quality assurance, utilization management, beneficiary problem resolution, authorization and denial of services, maintenance of financial records, policies and procedures, and assuring cultural competency in the provision of services.

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

- Assessment of clients' alcohol and drug abuse treatment needs and authorization of appropriate services for delivery by county staff and contracted providers. 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.
- Substance Abuse Programs to serve realign State parolees, now the responsibility of counties under AB 109.
- 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

- Implementation of the Katie A. Settlement between the State and Courts to better serve foster children with significant emotional/behavioral challenges will significantly increase the level of mental health services provided to them while enrolled in Child Welfare Services.
- Coordinated with Partnership Health Plan of California and Beacon, Inc. on the implementation of new behavioral health benefits for individuals with mild to moderate mental illness, a significant expansion of the previous stringent eligibility criteria of Seriously Persistently Mentally Ill clients.

- Adopted a 3 Year MHSA Plan which resulted in new program opportunities, in the following areas: homeless outreach and linkage, increased access to the underserved and early evidence-based intervention with individuals experiencing a first time psychotic break. Funding will now be allocated to these and other programs as a result of the community planning process.
- Approval of an Inter-Governmental Transfer (IGT) strategic plan which resulted in the following new programs: a mental health probation team to provide aftercare to youth released from juvenile hall, Katie A. staffing, increased bilingual access, and a jail liaison to activity coordinate discharges from jail and provide programming outside the jail for clients issued a split sentence by the court.

Solano County Substance Abuse

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

WORKLOAD INDICATORS

During the period of the 2013 calendar year:

- Solano County Mental Health provided mental health services to approximately 3296 seriously mentally ill adults and seriously emotionally disturbed children for a total of 88,250 appointments. The services were provided through County Programs, Contract Programs and the Managed Care Provider Network.
- Solano County provided case management services to 397 clients, across diverse populations such as, seriously ill adults, older adults, adults involved with the justice system, and children, youth and transitional age youth with serious emotional challenges.
- Psychiatric hospitalizations decreased to 241 admissions or 2,264 bed days during this period.
- Contracted outpatient Substance Abuse programs are serving an average of 103 clients per month, and residential programs are averaging 58 clients per month (including detox).
- General substance abuse clients are waiting approximately 36 days for Substance Abuse outpatient treatment and up to 37 days for residential treatment compared to 60 days for outpatient treatment and 120 days for residential treatment in the previous year.

DIVISION BUDGET SUMMARY

The Recommended Budget represents a decrease of $1,863,330 or 2.8% in revenues which includes a draw from Intergovernmental Transfers (IGT) restricted fund balance of $5,839,832 to support an overall increase of $3,976,502 or 6.1% in appropriations when compared to the FY2013/14 Adopted Budget. The General Fund Contribution of $2,980,330 is increased by $160,165 to offset increased costs in Substance Abuse.

Primary Funding Sources

The primary funding sources for Behavioral Health are federal financial participation, and State realignment revenues. In 2011, State General Fund monies for children's mental health services, substance abuse treatment services, drug court activities, and substance abuse Drug MediCal were realigned to the local level. This realignment, coupled with the 1991 realignment, makes realignment funding for behavioral health services the principal funding source. The passage of Proposition 30 has ensured that these funds are constitutionally protected and will continue to be available to fund mental health and substance abuse services at a level subject to fluctuations in sales tax collection. Uncertainties about growth in sales tax revenues keeping pace with program growth, especially for EPSDT and Drug MediCal services remain, however, particularly with the imposition of new responsibilities such as Katie A. services and the expanded drug MediCal Benefit. Additionally, the State has not determined the methodology on how to distribute 2011 Realignment growth among counties, so the potential share of 2011 Realignment growth monies remains unknown.

State funding from the Mental Health Services Act (MHSA) and federal revenues provide a primary 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 MediCal recipients and provides reimbursement for substance abuse Drug MediCal (DMC) services. Billing for mental health services is allocated on a cost per unit basis. As a result of AB1297 becoming effective July 1, 2012, the rate of claiming for mental health services has been increased making reimbursement closer to the actual cost. While the federal reimbursement for services remains at 50%, AB1297 allows counties to bill the federal government for the eligible actual cost of services rather than at a capped State Maximum Allowance (SMA) rate. The State continues to be delayed in implementing AB1297 and is currently paying counties an interim rate they established based on FY2011/12 costs. The Department anticipates that the State's interim rate for FY2014/15 will be based on the interim rate for FY2013/14 with an inflation factor and has increased its revenue projection to reflect the additional federal revenue.

Federal revenues for Substance Abuse services primarily changed due to the realignment of Drug MediCal 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 MediCal services, including Narcotic Replacement Therapy, sometimes known as methadone treatment. Previously, the State managed the Drug MediCal contracts for Narcotic Replacement Therapy treatment services and bore the fiscal risk of those services. With 2011 realignment, the State continues to manage the contracts but the fiscal risk has shifted to counties. While funding has been adequate to date, concerns remain among counties that a lack of utilization control at the local level could result in uncontrolled growth, in these contracts. Also, uncertain is potential changes to the Substance Abuse Prevention and Treatment (SAPT) block grant. Reductions to the SAPT block grant are anticipated to continue into FY2014/15. Additionally, questions remain if the purpose of the block grant will change in the future due to healthcare reform. Historically, SAPT funding paid for services for non-MediCal individuals who may now be newly eligible for MediCal whose services could be funded elsewhere.

Primary Cost

Primary costs for Behavioral Health are: $20,251,465 for salaries and employee benefits; $4,127,127 for services and supplies; $40,057,461 for other charges; $15,000 in fixed assets; $964,508 for other financing uses; and $4,182,173 for intra-fund transfers.

The Recommended Appropriations for Behavioral Health include $57,122,591 for Mental Health (BU 7700), $5,839,832 for Intergovernmental Transfers Projects (BU 7598) and $6,635,311 for Substance Abuse (BU 7560).

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Fines, Forfeitures, & Penalty	93,845	62,132	77,108	14,976	24.1%
Revenue From Use of Money/Prop	2,499	4,000	1,605	(2,395)	(59.9%)
Intergovernmental Rev State	50,344,987	41,397,996	40,142,074	(1,255,922)	(3.0%)
Intergovernmental Rev Federal	2,902,741	3,607,279	3,243,465	(363,814)	(10.1%)
Charges For Services	1,568,001	795,583	593,776	(201,807)	(25.4%)
Misc Revenue	936,360	10,386	7,302	(3,084)	(29.7%)
Other Financing Sources	13,423,811	16,923,691	16,712,242	(211,449)	(1.2%)
General Fund Contribution	2,820,165	2,820,165	2,980,330	160,165	5.7%
TOTAL REVENUES	**72,092,409**	**65,621,232**	**63,757,902**	**(1,863,330)**	**(2.8%)**
APPROPRIATIONS					
Salaries and Employee Benefits	16,307,146	18,491,779	20,251,465	1,759,686	9.5%
Services and Supplies	4,442,419	4,148,387	4,127,127	(21,260)	(0.5%)
Other Charges	35,612,935	35,875,363	40,057,461	4,182,098	11.7%
F/A Equipment	0	0	15,000	15,000	0.0%
F/A - INTANGIBLES	760,657	448,597	0	(448,597)	(100.0%)
Other Financing Uses	816,668	883,181	964,508	81,327	9.2%
Intra-Fund Transfers	4,203,339	5,773,925	4,182,173	(1,591,752)	(27.6%)
TOTAL APPROPRIATIONS	**62,143,165**	**65,621,232**	**69,597,734**	**3,976,502**	**6.1%**
NET CHANGE	**(9,949,244)**	**0**	**5,839,832**	**5,839,832**	**0.0%**

STAFFING					
Behavioral Health	185.50	163.00	165.50	2.50	1.5%
TOTAL STAFFING	**185.50**	**163.00**	**165.50**	**2.50**	**1.5%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2014/15 Recommended Budget projects a $1,863,330 net decrease in revenues primarily due to the following:

- A decrease in Intergovernmental Fund (IGT) revenues recognized in Behavioral Health. Due to a change in accounting for IGT monies, IGT revenues are not recognized in Behavioral Health's operating budget but will be reflected as a reduction in the IGT Restricted Fund Balance, in Fund 902. This change will result in an artificial deficit for Behavioral Health with no impact to the County General Fund.
- Increase in federal reimbursements for mental health services primarily due to a change in reimbursement for mental health services based on actual costs; and increases in 2011 Realignment revenues based on increases in sales tax projections.
- The growth in revenues is partially offset with decreases in Short Doyle Administrative MediCal; State Drug Abuse; 2011 Realignment for AB109; and State Other. Administrative revenues are projected to be lower due to changes in claiming for these costs. The State is allowing administrative costs to be distributed among program costs; hence increasing the cost per unit for program services, but decreasing the amount of administrative costs allowed to be claimed. State Drug Abuse revenues and State Other are decreased due to the termination of the Bay Area Service Network (BASN) program for parolees and Conditional Release Program (CONREP). AB109 revenues are decreased due to expenditures not projected to be reimbursed as included in the FY2013/14 Adopted Budget.

The FY2014/15 Recommended Budget projects a $3,976,502 net increase in appropriations primarily due to the following:

- Increases in Salary and Benefits due to the addition of 9.0 FTE during FY2013/14 and the addition of 4.5 FTE for FY2014/15 and increased operating costs.
- Increases in anticipated bed usage for State Hospitals, Institutions for Mental Diseases (IMDs), and hospital inpatient costs. Also contributing to increases in contracted direct services is an anticipated increase for IGT and MHSA funded projects.

- Increases in Countywide Overhead Charges. For FY2013/14, the Mental Health Bureau had no charges, but instead received a credit of $108,025. For FY2014/15, a charge of $738,807 is included in the Recommended Budget.

SUMMARY OF POSITION CHANGES

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

On October 22, 2013, the Board of Supervisor's approved the following 11.5 FTE Limited Term Positions to support the approved Intergovernmental Transfer (IGT) Strategic Plan:

- 1.5 FTE Mental Health Clinical Supervisor
- 6.0 FTE Mental Health Clinician
- 1.0 FTE Mental Health Specialist II
- 0.5 FTE Psychiatrist
- 1.0 FTE Project Manager
- 1.0 FTE Patient Benefits Specialist
- 0.5 FTE Office Assistant II

On February 11, 2014, the Board of Supervisor's approved to reclassify a 1.0 FTE Clerical Operations Supervisor to an Office Assistant III, and 2.0 FTE Crisis Specialists to Mental Health Specialist IIs.

The FY2014/15 Recommended Budget includes the addition of 4.5 FTE Positions to perform quality assurance activities, homeless services, and vocational rehabilitative services:

- 1.0 FTE Mental Health Specialist II (LT) to provide mobile crisis response as a part of the IGT Strategic Plan
- 1.5 FTE Mental Health Clinician (Lic) and 1.0 FTE Supervising Mental Health Clinician will provide concurrent documentation review and utilization management for children's services contracts and will increase the number of reviews per year. The positions are funded with Quality Assurance revenues from the State Department of Rehabilitation and Realignment.
- 1.0 FTE Mental Health Services Coordinator to provide services and assistance to the mentally ill homeless population.

The FY2014/15 Recommended Budget includes the following reclassifications based on Human Resources assessment and determination:

- Reclassify a Sr. Health Services Manager to a Sr. Mental Health Services Manager (effective 7/6/14). This position manages the Mental Health Services Act (MHSA) program.
- Reclassify 1.0 FTE Accounting Clerk III to 1.0 FTE Accounting Clerk II (effective 7/6/14)

PENDING ISSUES AND POLICY CONSIDERATIONS

Effective January 2014, the Affordable Care Act allowed for the expansion of mental health and substance use disorder services to individuals formerly ineligible for MediCal, such as single childless adults. The benefits are available to clients with mild to moderate conditions and also those that meet the severely mentally ill (SMI) criteria. FQHCs will bill the managed care plan Partnership Health Plan of California for clients that meet the mild to moderate criteria. However, billing for the SMI patients seen at the FQHC clinics using the rate-per-encounter model could change and instead have to occur through the Short Doyle

MediCal System, rather than being paid on an encounter basis, the services would be billed on a cost per unit/ fee-for-service (by minute) basis and would have a 50% non-federal share. Due to the uncertainty, of the Federal Upper Payment Limits for Short Doyle MediCal rates, the potential local fiscal impact of moving the costs of the integrated care clinics from the FQHC and its billable units of service under the Short Doyle MediCal system remains unknown. The Department continues to explore its fiscal and programmatic options on this issue while awaiting State clarification on whether and how billing for SMI individuals in a FQHC setting might continue.

The Recommended FY2014/15 budget includes a significant increase in Short Doyle MediCal revenues based on assumptions that the State will continue to pay based on the interim rate established for FY2013/14 with an inflation factor. While AB1297 eliminated the State Maximum Allowable Rate (SMA) beginning July 1, 2012, the State continues to work on finalizing implementation of the legislation. The State has increased the interim reimbursement rate for counties based on prior year cost reports; however, it continues to work with the Centers for Medical Services (CMS) on a State Plan Amendment (SPA) that will establish a methodology to determine an Upper Payment Limit (UPL) for reimbursement. While AB1297 eliminated the SMA July 1, 2012, the SPA will allow counties to claim for their actual costs up to the UPL retroactive to January 1, 2009. The mechanism for this claiming remains unknown as well as whether or not reimbursement will be capped at prior year published charges. Depending on the outcome of the SPA, Solano County anticipates it will receive additional MediCal monies for prior year services, but the amount and timing of receipt of this revenue continues to be unknown. Also, uncertain is the potential fiscal impact of a UPL on cost reimbursement and future cost settlements.

Included in the MediCal revenue projection are assumptions for growth in Drug MediCal (DMC) services and mental health inpatient bed days for newly eligible MediCal clients. As information on the newly MediCal eligible is still in the infancy phase due to the January 1, 2014 start date, projections for revenue for the newly eligible in Behavioral Health may significantly change. Also of note is the State's increased emphasis on DMC audits and recertification’s. If the State revokes DMC certification for a provider, the revenue provider’s revenues will not be realized. Additionally, the County will have placement challenges as only a few DMC providers exist, and any loss of DMC revenue could potentially put a strain on local funds.

Mental Health can claim federal reimbursement for administration of the Mental Health Plan. This reimbursement is capped at 15% of MediCal billing. Beginning with the FY2010/11 cost report, counties were allowed to distribute countywide overhead charges among program cost centers. This distribution reduced the amount of administrative claiming but increased the direct service cost per unit. For FY2013/14, Mental Health did not receive an A-87 overhead charge, instead received a credit. How this swing of approximately $846,832 will impact the direct service cost per unit as well as administrative claiming is unknown.

2011 Realignment and the passage of Proposition 30 have proven to stabilize funding for mental health and substance abuse services; however, concerns continue about whether the funding will keep pace with program growth. Since the source funding for the Mental Health realigned programs changed in FY2012/13, the State continues to work on distribution methodologies for base and growth for the Behavioral Health Subaccount. For FY2013/14, the State Controller’s Office (SCO) base distributions among counties differed from FY2012/13. Additionally, the State has not determined growth distributions, and until those are issued, future growth monies can’t be calculated. The Requested FY2014/15 budget assumes a 5% growth in 2011 Realignment based on information available from the California Mental Health Director’s Association (CMHDA) and assumes the distribution percentage for Solano County will not change.

Potential growth in expenditures for the two realigned mental health programs, mental health managed care and EPSDT remain a concern as they rely on 2011 Realignment to provide the 50% non-federal match for services. The Department continues to implement community programs to strengthen the system of care with a goal of reducing hospitalizations. Expenditures for adult inpatient stays have trended upward the past couple of years in part because of placement challenges in MediCal billable facilities. If the facility cannot bill for the MediCal placement, then the County is responsible for 100% of the cost. To address this issue, Solano County, as of April, 2014, began contracting with a community provider for a Psychiatric Health Facility (PHF) in Vallejo to maximize reimbursement under MediCal Expansion. 10 of 16 beds were contracted to reduce out-of-county placement of Solano residents in non-Medical reimbursable beds. This increased availability of beds in a MediCal billable PHF should assist in reducing hospital costs; however, due to the nature of crisis services, projecting for future need is difficult. Adding to the difficulty of these projections are the impact of recently increased AB109 and Jail programming, which count among their treatment options inpatient psychiatric hospitalization in order to ensure the seriously mentally ill are not inappropriately housed in jail instead of a treatment setting.

Concerns with 2011 Realignment growth keeping pace with growth in ESPDT services also remains. The Department has started implementing expanded services for children in foster care as a result of the Katie A Settlement. The County Mental Health Director’s Association (CMHDA) is advocating to the State, that Katie A services fall under the Proposition 30 mandate. If the expansion of the services is deemed a Proposition 30 mandate, the State would provide funding for at least half of the non-federal share for the expanded services. If the State does not provide the funding, then additional strains will be placed on realignment to fund these services.

Reimbursement for substance abuse services also remains somewhat unpredictable. In FY2012/13, the federal sequestration reduced the Substance Abuse Prevention and Treatment (SAPT) grant by 5%. While indications are that the SAPT grant won't be reduced as much as for FY2013/14, concerns remain that the grant will continue to be reduced either due to federal deficit concerns and/or healthcare reform, on the assumption that MediCal expansion under ACA should relieve local systems of some of their former cost burdens.

Prior to the implementation of the ACA, SAPT monies were used to fund services for individuals not receiving MediCal. Many of those individuals should be eligible for MediCal and their services federally funded. Federal and State authorities have not indicated that the funding will terminate, but questions remain if the funding will be repurposed. While more individuals are, in fact, eligible for Drug MediCal (DMC) services, inadequate DMC rates and decertification of DMC providers are challenging the system of care and placing more demands on available SAPT funding and 2011 Realignment. This issue has been raised with the Department of Healthcare Services as these issues run contrary to the stated intention of the ACA to expand substance abuse services in accordance with its new requirements.

DIVISION PURPOSE

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

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

FUNCTION AND RESPONSIBILITIES

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

Solano Public Health is responsible for monitoring, understanding, and explaining health concerns facing the community. Data trends are utilized to analyze public health issues and communicate to the public, in order to provide residents with sufficient information to make healthy choices. Protecting the community from health problems and health hazards are core functions along with educating healthcare providers on new and emerging health issues. Public Health is in the forefront of fostering and participating in community coalitions, and professional networks, developing public health policies, and enforcing public health laws and regulations. Public Health also assists with emergency planning and response activities.

Family Health Services operates 12 Federally Qualified Health Center (FQHC) Clinics that provide timely, high quality, culturally and linguistically appropriate comprehensive healthcare to the uninsured and underinsured residents of Solano County. 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 Napa-Solano-Yolo County Public Health Laboratory expanded its service area to include Marin County in 2013. This expansion has increased testing by approximately 70% or from 14,000 to 24,000 tests per year.
- Through collaboration with partner agencies, Solano County Maternal, Child and Adolescent Health improved entry into early prenatal care (first trimester care) to the highest rate recorded. Solano County entry into early prenatal care increased from 74.4% in 2004 to 79.5% exceeding the Healthy People 2020 goal of 77.6%.
- Exclusive breastfeeding rates in the WIC program have improved by more than three and one-half fold: from 15.9% in 2010 to 58% in 2013.
- Family Health Services contracted with an outside consultant, to conduct a comprehensive assessment of the clinic operations. The consultant is currently working with the department to improve workflow, enhance billing, and collections. The Department will closely monitor the situation to improve the financial viability of the clinics and determine the extent of funding gaps.
- Family Health Services (FHS) continues offering walk-in appointments (also known as "Open Access") in the morning. By providing emergency room and hospital follow-up appointments during this time period, FHS has improved the no-show rate for these types of appointments from an average of 50% to 0%. All patients referred from the emergency rooms and for hospital discharge follow-up receive services on the same morning they walk into the clinic as an Open Access client.
- In 2013, FHS introduced "Same Day Standby Appointments" filling no-show appointments with a patient who walks in for care. In the Fairfield Clinic, the no-show rate was reduced from nearly 26% to less than 12%, reducing the rate by half. Since the start of the project, over 600 additional appointments have been offered to clients that otherwise would have gone unused.
- In 2013, the Solano Emergency Medical Services Cooperative Board designated Kaiser Permanente, Vacaville as a Level II Trauma Center. This designation provides trauma and neurosurgery coverage to the residents of Solano County 24 hours per day, 7 days a week.

- In 2013, the Emergency Medical Services Agency issued preliminary Emergency Department Approved for Pediatrics (EDAP) designation to four of the five hospitals in the County. The designation ensures that children brought to emergency departments through the 911 system receive the highest standard of care based on their needs.
- In 2013, Health Promotion & Community Wellness and partner agencies were successful in implementing standards to decrease access to sugar-sweetened beverages and promote drinking water in the Vallejo City Unified School District as well as in seven community-based organizations, groups, or clubs servicing Solano children and youth.

WORKLOAD INDICATORS

- The Integrated Care Clinics (adult mental health) increased access, and the number of clients served from 2,614 in 2011 to 3,242 in 2013, a 24% increase.
- In 2013, more than 3,100 infectious diseases were reported, compared to 3,700 in 2012, a 16.2% drop.
- In 2013, the Emergency Medical Services Agency certified 310 Emergency Medical Technicians and 142 paramedics.
- In 2013, the Emergency Preparedness and Response Program conducted two tabletop exercises, an Emergency Medical Response Summit, and a Statewide Medical and Health full-scale exercise.
- In 2013, the Immunization Program held 11 immunization clinics, providing 1,227 influenzas, 195 pertussis and 56 pneumonia vaccines to the general community.
- In 2013, the Women, Infants, & Children Program served a monthly average of 10,896 pregnant women, postpartum women & children less than 5 years of age; compared to 10,824 in 2012.
- In 2013, Maternal, Child & Adolescent Health programs conducted 3,625 home visits to high-risk families by public health nurses, social workers, and community health workers.
- In 2013, the California Children's Services Program provided services to 800 children with severe and disabling medical problems.
- In 2013, the California Health and Disability Prevention Program linked more than 2,660 children to rapid health insurance through the Gateway Program.
- In 2013, more than 9,870 elementary school students in 20 schools received bicycle safety training and participated in safe routes to school events.
- In 2013, for the International Walk to School day, 27 schools and some 6,500 students participated—a 49% increase in the number of students who participated compared to the previous year and an 80% increase in the number of participating schools.
- In 2013, 63 Solano children with elevated blood lead levels received services from the Public Health Nursing Program and Environmental Health.
- In 2013, Family Health Services provided 31,000 clients with physical, mental and dental health services.
- Family Health Services increased its Partnership HealthPlan of California capitation from 12,500 clients in 2012 to 14,357 clients in 2013, a 13% increase.
- The Vital Statistics Unit served about 10,000 customers in 2013, issuing over 18,000 birth certificates, death certificates, and burial permits.
- In 2013, Occupational Health conducted ten employee flu clinics, with 1079 immunizations provided. Also in 2013, 426 County employees received training for Aerosolized Transmissible Diseases, Blood-borne Pathogens, and the Respiratory Protection Standard.

DIVISION BUDGET SUMMARY

The Recommended Budget represents an overall decrease of $2,840,179 or 4.6% in revenues and appropriations when compared to the FY2013/14 Adopted Budget. The Net County Cost has increased by $347,348 or 22.68% primarily due to increased operating cost in Public Health. The Health Services budget is comprised of three main program areas: Public Health, Family Health Services, and Medical Services.

Primary Funding Sources

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

Other important funding sources for FHS include the Healthcare for the Homeless Grant 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 State and Federal allocations. Programs utilizing federal grants include Nurse-Family Partnership, Emergency Preparedness and Response, and WIC. Programs utilizing fee-for-service and revenue contracts include the PH Lab, Vital Statistics, Health Promotion and Community Wellness, and Student Health Services. Programs utilizing State and Federal allocations include Emergency Medical Services, Tuberculosis Control, Communicable Disease, AIDS Surveillance, Emergency Preparedness and Response, AIDS Community Education, Health Promotion and Community Wellness, Public Health Nursing, Childhood Lead Poisoning Prevention, Immunization, California Children's Services, Child Health and Disability Prevention, Nutrition Services, and Maternal, Child and Adolescent Health.

Primary Operating Expenses

Primary costs for Health Services are $32,801,369 for salaries and employee benefits, $8,394,591 for services and supplies, $15,246,463 for other charges which include a $6,871,127 redirection of health realignment to fund social services programs in accordance with AB85 and $5,304,897 in contracted direct services; $1,429,087 for other financing uses, and $1,456,517 for intra-fund transfers.

The primary programs in Health Services are Public Health (BU 7800) with Recommended Appropriations of $24,154,288; Medical Services (BU 7588) with Recommended Requested Appropriations of $8,044,604 and Family Health Services (BU 7580) with Recommended Appropriations of $27,129,135.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Licenses, Permits & Franchise	12,593	11,150	14,740	3,590	32.2%
Fines, Forfeitures, & Penalty	415,515	546,570	424,380	(122,190)	(22.4%)
Revenue From Use of Money/Prop	2,813	4,500	4,500	0	0.0%
Intergovernmental Rev State	15,177,822	16,360,907	17,265,616	904,709	5.5%
Intergovernmental Rev Federal	9,425,580	12,015,501	10,351,432	(1,664,069)	(13.8%)
Intergovernmental Rev Other	568,736	1,578,262	1,274,829	(303,433)	(19.2%)
Charges For Services	17,390,771	28,069,202	25,902,224	(2,166,978)	(7.7%)
Misc Revenue	824,057	972,775	1,116,800	144,025	14.8%
Other Financing Sources	1,074,444	1,077,633	1,094,452	16,819	1.6%
General Fund Contribution	1,539,036	1,531,706	1,879,054	347,348	22.7%
TOTAL REVENUES	**46,431,368**	**62,168,206**	**59,328,027**	**(2,840,179)**	**(4.6%)**
APPROPRIATIONS					
Salaries and Employee Benefits	25,954,821	36,483,634	32,801,369	(3,682,265)	(10.1%)
Services and Supplies	5,706,270	8,068,032	8,394,591	326,559	4.0%
Other Charges	13,433,647	15,744,191	15,246,463	(497,728)	(3.2%)
F/A Equipment	5,333	346,168	0	(346,168)	(100.0%)
F/A - INTANGIBLES	61,560	0	0	0	0.0%
Other Financing Uses	1,195,172	1,515,745	1,429,087	(86,658)	(5.7%)
Intra-Fund Transfers	77,889	10,436	1,456,517	1,446,081	13856.7%
TOTAL APPROPRIATIONS	**46,434,692**	**62,168,206**	**59,328,027**	**(2,840,179)**	**(4.6%)**
NET CHANGE	**3,324**	**0**	**0**	**0**	**0.0%**

STAFFING					
Health Services	291.55	318.90	307.70	(11.20)	(3.5%)
TOTAL STAFFING	**291.55**	**318.90**	**307.70**	**(11.20)**	**(3.5%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant changes in revenue include:

The Recommended Budget represents a net decrease of $2,840,179 or 4.6% in revenues compared to the FY2013/14 Adopted Budget. The County Contribution has increased $347,348 or 22.7% due to two main factors: $163,370 to pay for A87 costs and $183,978 for DoIT costs (both were posted to inactive budgets or budgets where reimbursement is not allowed or already maximized). The projected decrease in State and Federal revenue results primarily from decreases in the Healthcare for the Homeless grant, FQHC, Nutrition, Nurse Family Partnership and the Drug Free Community grant as follows:

- $931,424 increase in the PH Realignment;
- $2,166,978 decrease in FQHC revenue based primarily on the high vacancy rate and lower productivity than originally estimated when converting to Electronic Health Records;
- $524,312 decrease in the Nutrition allocation's Authority to Spend;
- $595,505 decrease in Nurse Family Partnership due to expiration of the Evidenced Based Home Visiting Program grant;
- $150,000 decrease in the Reducing Rates due to the expiration of the Drug Free Community grant;
- $149,168 decrease in the Healthcare for the Homeless grant due to that amount given to purchase the primary care mobile van that was purchased in FY13/14;
- $121,482 decrease in Maternal Child and Adolescent Health Title XIX funds due to the change in allocation of fixed costs; and,
- $64,158 decrease in several federal grants including the Hospital Preparedness grant $7,250 and the Centers for Disease

Control and Prevention grant $27,160 in Emergency Preparedness and Response, and the HIV Prevention $17,500 and CARE grants $12,248.

Significant changes in appropriations include:

The FY2014/15 Requested Budget for Health Services projects a $2,840,179 decrease in expenditures compared to the FY2013/14 Adopted Budget. The projected decrease results from the net increase in Services and Supplies and Intra Fund transfers with decreases in all other expenditure categories as follows:

- $3,682,265 net decrease in Salaries and Employee Benefits primarily due to the 13.73% Salary Savings resulting from the high vacancy rate in Family Health Services. Salary Savings has averaged 24.4% over the past five years. The department is currently reviewing the impact of the 2014 MediCal expansion as it relates to the FHS service delivery model and overall staffing. Please refer to the pending issues section.
- $326,559 net increase in Services and Supplies primarily due to an increase of $323,012 in Department of Information Technology (DoIT) costs to pay for additional DoIT staff; a $508,829 increase in contracted services to pay for new recruiting services contracts and consultants to assist in optimizing clinic productivity, billings and reimbursements; offset by a decrease in medical services ($103,123) for indigent care due to receiving less Court revenue to pay for the program; a decrease in special departmental expense ($74,878) for lower spending on incentives and safety items in Health Education and fewer client support materials for Nurse Family Partnership due to reduced funding; a decrease in drugs & pharmaceuticals and medical/dental supplies ($123,788) due to lower demand in the primary care and ICC clinics than anticipated when expanding to Vacaville; and a decrease in office, computer and equipment expense ($137,128) due to no longer having the start-up costs associated with expanding to Vacaville.
- $497,728 decrease in Other Charges primarily due to a decrease in countywide overhead ($137,057) partially offset by a $65,980 increase in direct charges from county departments; and a decrease in contracted direct services ($405,712) due to the elimination of the Drug Free Community grant and reductions in the Substance Abuse Prevention and Treatment funds for the Reducing Rates contracts, non-renewal of the AIDS Surveillance contract, a decrease in the Ryan White CARE contracts due to a decrease in the State allocation and a decrease in the Locum Tenens and orthodontics contracts
- $346,168 decrease in Fixed Assets due to purchasing the primary care van for the homeless grant and equipment for the primary care, integrated care, and dental clinics in FY13/14.
- $86,658 decrease in Other Financing Uses due to a decrease in Debt Service and POB costs.
- $1,446,081 increase in Intra Fund Transfers due primarily to a decrease of ($1,360,896) in Inter Governmental Transfers and an increase of $59,491 in HSS Admin Overhead charged to Health Services.

SUMMARY OF POSITION CHANGES

The following 11.7 FTE vacant positions are requested for deletion in the FY2014/15 Recommended Budget. These positions were originally requested in order to staff up the Family Health Services clinics in anticipation impacts from the Affordable Care Act; however, the increase demand did not fully materialized plus the clinics are being reorganized to increase efficiency thus the following positions are not required at this time.

- 0.7 FTE Nurse Practitioner/Physician Assistant
- 3.0 FTE Accounting Clerk II
- 1.0 FTE Psychiatrist
- 1.0 FTE Clinical Psychologist
- 1.0 FTE Clinical Lab Scientist
- 1.0 FTE Dental Assistant Registered
- 1.0 FTE Dentist Manager
- 1.0 FTE Public Health Nurse (Sr.)
- 2.0 FTE Clinic Physician (Board Certified)

PENDING ISSUES AND POLICY CONSIDERATIONS

There are a number of significant issues and policy considerations at the State and Federal levels that may impact the Division of Health Services. Legislation passed in 2013 (AB 85) and signed by the Governor has changed the formula for growth in public health realignment funding (1991 public health realignment), potentially significantly reducing future growth in these funds, which provide support to nearly all of the programs in the Division.

At the federal level, some funding streams were eliminated, and others were reduced. The overall result is significant with reductions in federal funding for the following public health programs: Women, Infants & Children Supplemental Nutrition Program (WIC), Nurse-Family Partnership, Maternal Child and Adolescent Health, AIDS Care and Prevention, the Emergency Preparedness and Response programs, and the Community Transformation Grant program. These decreases, combined with increased operational cost are putting a considerable strain on the Health Services program budget.

As a result of protracted, significant vacancy rates in Family Health Services affecting clinic productivity and issues with billing and collections substantially impacted clinic revenues, together with the anticipated impacts of implementing a system-wide electronic health record infrastructure and rapid growth in clinic numbers and services, Family Health Services has developed an operating deficit which is currently funded through the use of existing one-time revenues in Health and Social Services. The steps being taken to address this deficit include deleting 11.7 FTE vacant positions as indicated above (the anticipated potential impacts of the Affordable Care Act have not fully materialized, so these positions are not required at the present time), modifying clinic workflows to maximize productivity, and engaging an appropriate vendor to provide billing and collections services. H&SS will continue to monitor the fiscal status of the FHS clinics closely and take additional steps if required to close any remaining funding gaps. The Department will report back on progress on or before Midyear.

The Federal Health Resources and Services Administration (HRSA) is in the process of tightening requirements for continued funding of HRSA grants. Health Services currently has two HRSA grants (Ryan White, and Healthcare for the Homeless) for a combined total of $1.6M. HRSA is currently auditing both programs.

In addition, the Federally Qualified Health Center (FQHC) reimbursement rates that have already been established are being reviewed by the federal government to see if anything can be carved out or reduced based on new productivity requirements that were not in effect when the rates were originally established. There is also proposed new legislation that may affect the behavioral health integration aspect of the Family Health Services Clinics. H&SS is currently working to determine if these changes can be supported under the current service delivery model.

The 2010 Federal Patient Protection and Affordable Care Act was implemented effective January 1, 2014. The State chose the option of State implementation rather than county implementation for MediCal expansion, using a sizeable portion of public health realignment funding to cover the costs of expansion; it is unclear, however, if the amount of the public health realignment funds being diverted from counties back to the State to help pay for costs related to implementation of the Affordable Care Act will be enough to cover the population still in need of assistance. There has been a significant increase in the number of patients assigned to the Family Health Services clinics by Partnership Health Plan, the County's MediCal managed care provider.

DIVISION PURPOSE

The Social Services Division has 17 major programs primarily providing services in the following major categories: Employment and Eligibility Services (E&ES), which includes Welfare Administration (WA), Child Welfare Services (CWS) and Older and Disabled Adult Services Division (ODAS). In addition, the Social Services Division is also responsible for In-Home Supportive Services (IHSS) Public Authority Administration (BU 7690).

Employment and Eligibility Services

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

Welfare Administration and Special Projects

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

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

Child Welfare Services

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

Older and Disabled Adult Services

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

FUNCTION AND RESPONSIBILITIES

Employment and Eligibility Services

Employment and Eligibility Services (E&E) provides public assistance to Solano County residents and assists the recipients towards self-sufficiency. As of December 31, 2013, 89,561 County residents, or 21.2% 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 January 2014, the Division issued cash and food benefits that generated at least $13.6 million in local economic activities, as recipients paid rent and bought food with these funds. E&E provides cash aid to over 5,900 families and over 700 individuals per month, food assistance to over 21,500 families or over 45,600 individual per month, MediCal coverage for over 31,400 families per month, and County Medical Services Program (CMSP) coverage, prior to January 1, 2014, of 8,200 individuals. Many of those served by CMSP have transitioned to MediCal insurance under the Affordable Care Act's expansion of MediCal eligibility criteria.

Welfare Administration

Welfare Administration (WA) and the Special Investigations Bureau (SIB) conduct over 3,000 investigations annually to ensure the prevention and detection of fraud cases. SIB is also responsible for the computation and collection of California Work Opportunity and Responsibility to Kids (CalWORKs) overpayments, and Food Stamp over issuances as well as the collection of

General Assistance debts. The Appeals Unit within SIB is responsible for the timely hearing of appeals of adverse actions filed by recipients. SIB also manages the H&SS employee identification badge access system.

Special Projects

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

Child Welfare Services

Child Welfare Services provides four service components of the initial program State legislation passed in 1982 with Senate Bill 14 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 secure permanency, independence and self-sufficiency. 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 relative and nonrelated extended family members, licensed state homes, foster family homes and agencies, and group homes.
- Foster Care Eligibility determines the eligibility and funding source that pays for out-of-home placement for children who are placed in foster care by Child Welfare Services and Probation. As part of the eligibility process, foster children are enrolled in MediCal.

Older and Disabled Adult Services

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Employment and Eligibility Services

- This was a year of significant changes for E&E, in all major program areas largely driven by State required changes. As a result of the tremendous volume of changes that occurred this year, some performance metrics dropped, including timeliness of application processing, the work participation rate, timeliness of expedited services processing, as staff attended training and focused on understanding and implementing the changes.
  - The CalWIN case management system originally implemented in 2005 was updated and modernized to a web based platform. Solano County was an “early adopter” starting in January 2013, allowing staff to get practice using the new system, which has a different user interface than the prior system. Solano staff also played a key role in providing feedback to the vendor to simplify data entry and improve the user experience.
  - In April 2013, over 5,700 Solano County children began to be transitioned from the Healthy Families program into the MediCal program.
  - The CalWORKs Welfare to Work program underwent significant changes to the work requirements and exemptions, which required individual meetings and discussions with all participants to review how the changes impacted them, and to make any necessary modifications to their activities.
  - The CalWORKs and CalFresh programs required reporting cycles changed from quarterly to semi-annual, reducing the number of required reports per year from five (four quarterly plus the annual renewal) to 2 (one semi-annual report and the annual renewal). This should reduce the number of families whose benefits are discontinued due to failure to submit a report.
  - In October 2013, the Affordable Care Act was implemented. California chose to implement the option of expanding MediCal coverage to previously ineligible people with incomes up to 138% of the Federal Poverty Level ($15,856 for a single person, $32,499 for a family of four). Solano County established the Center for Healthcare Options and Insurance Coverage Enrollment (CHOICE) call center to accept calls transferred from Covered CA, the State’s health benefit exchange. These transferred calls are individuals who were identified as potentially MediCal eligible, however, CHOICE staff handle their enrollment once the calls are transferred, whether they are MediCal eligible, or are instead eligible for a Covered CA plan, either subsidized or unsubsidized. Through February 2014, 100% of these calls were answered within the 30 second time limit.
  - A Continuous Quality Improvement team, consisting of representatives from Human Resources, the County Administrator’s Office, H&SS Administration, and the division, worked to increase the two year retention rate of Eligibility Benefits Specialist I hires from slightly over 61% to nearly 76% as of January 2014. This team’s efforts identified the use of limited term positions as a cause for high turnover. These findings were used to support the conversion of limited term positions to regular positions, thus decreasing the turnover rate.
- E&ES continued implementing “self-service” initiatives to leverage technology and allow interested applicants and recipients to access services without having to visit an office.
  - Customers can now apply for CalFresh, CalWORKs, and MediCal benefits online using the MyBenefitsCalWIN system. The system was enhanced to add additional features, such as reporting changes and checking benefit balances online, as well as adding the ability to submit CalWORKs periodic reports electronically. In January 2014, 20% of applications for CalWORKs, CalFresh, and/or MediCal were submitted online.
  - In January 2014 out of 30,386 calls to the 24/7 automated inquiry line (Access CalWIN), which provides frequently requested information without the need for staff intervention, 6,385 calls, or 21% were handled by the automated system. For calendar year 2013, over 25% of calls were handled without staff intervention.
- The Division achieved a 95% accuracy rate based on a CMSP Governing Board audit in April 2013, resulting in a bonus of 5% to the FY2013/14 CMSP allocation.
- In 2013, the Division received $28,200 in incentive payments from the CMSP Governing Board for timely processing of disability referrals for those customers potentially eligible to MediCal.

- E&ES achieved an un-weighted Work Participation Rate (WPR) of 20.8% in Federal Fiscal Year (FFY) 2012/13.The low rate is attributed to the continued economic challenges and State budget saving measures that exempted many parents from participation in Welfare to Work activities, but did not exclude them from the Federal WPR calculation.

Welfare Administration

- The Department continues its successful fully integrated clerical pool model to ensure proficiency in all areas.
- In 2013, SIB continued its trend started in 2012 to expand the use of electronic technology for collections resulting in shorter processing times and better tracking of collections.

Child Welfare Services

- Child Welfare Services (CWS) provided 212 children with intensive Family Maintenance Services since its inception in March 2012 with only nine entering foster care, a major improvement. This effort has helped slow the growth in foster care cases, and mitigating what could have been a significant increase in foster care placement costs. CWS continues to build upon the previous progress with an emphasis on returning children safely to their homes sooner with Intensive Family Reunification services. By providing intensive Family Reunification Services, the goal is to reunify children sooner thereby decreasing the months and/or years a child is in foster care. A new CWS unit was established at FY2012/13 to support this new effort.
- Assembly Bill 12 (AB12) Chaptered September 30, 2010 amended section 17552 of the family code to extend foster care to age 21 by January 1, 2014. As a result, counties across the State have seen caseload growth from this population. Solano County CWS currently has thirty-five (35) young adults taking advantage of this program and twenty-two (22) youth who soon will be eligible. The majority has chosen to transition into Supervised Independent Living Placement and working toward educational and vocational goals; however, the full impacts of this legislative change to Child Welfare Services and other County services/programs are still unknown.
- Child Welfare Services has almost ½ of its Social Workers using iPads in the field providing them access to the statewide database, email and general information. This technology has helped Social Workers manage workloads and respond to the increasing demand for accountability; it also helps with efficiency and creates more time to successfully serve children, youth and families.
- Child Welfare Services has continued to embrace the refinement of practice through Safety Organized Practice (SOP). SOP is family centered, with a focus on behavioral change, not services. SOP is a way of thinking that informs the family and builds a family support network. The program rolled out in four cohorts, starting March 2012 and will end November 2014, when all staff will be trained in SOP which will focus on our mission and vision of keeping children safe in their homes and community.
- Child Welfare Services partnered with Children's Mental Health to respond to the Katie A. Settlement between the State and Courts which requires timely access to mental health services for children in the Child Welfare system. It calls for a redesign of the interface between Child Welfare and Mental Health. Solano County was selected to be part of a learning collaborative to help inform this new system and is developing processes to meet the mission to serve 85 children and youth identified who need coordinated services.

Older and Disabled Adult Services

- This division has successfully completed the first year operation with a State automated payroll and case management system (CMIPS) for the IHSS program. During the implementation compliance rates for re-assessments dropped from 82% to 72%, but are now going back up, currently at 78%. The new system has been a challenge for all California counties including Solano.
- The fraud detection unit in the Older and Disabled Adult Services ODAS continues its close collaboration with its Special Investigations Bureau (SIB) to detect and prevent fraud with an increasing focus on cost avoidance and concurrent quality assurance reviews for open cases. The services are vital to controlling cost in the IHSS program as the number of IHSS cases has been growing. Since FY2011/12, the fraud unit has generated cost savings of more than $2 million in overpayment avoidance.

WORKLOAD INDICATORS

Employment and Eligibility Services

- In December 2013, the Division served 89,561 unduplicated County residents, up from 74,471 in December 2009, and 60,523 in December 2006, an increase of 48% in a seven year period.
- In calendar year 2013, the Benefits Action Center (BAC) caseload of ongoing MediCal and CalFresh recipients increased from 19,822 families in January to 23,237 in December, an increase of over 17%. The number of families receiving benefits in both programs increased from 7,216 to 8,602, or 37% of the people served at the BAC. Staff at the BAC answered an average of nearly 7,400 calls per month.
- In calendar year 2013, the division received applications for an average of 7,590 cases per month, including CalWORKs, CalFresh, MediCal, CMSP, and General Assistance.
- From October 1, 2013 to March 31, 2014, the CHOICE team answered over 1,850 calls from Covered CA, about 1,600 for Solano County residents, and over 250 for residents of other counties, as part of a mutual backup process between counties. Other counties handled 44 calls for Solano County residents. The local offices also experienced increased activity from MediCal applications in person, and using the online MyBenefitsCalWIN application system. In total from December 1, 2013 to April 1, 2014, the number of MediCal recipients in Solano County increased from 74,000 to 89,100 which include 6,400 that transitioned from County Medical Services Program (CMSP).
- Welfare to Work staff completed over 1,600 comprehensive discussions with customers, where they reviewed the new program requirements, changes to exemption criteria, and any needed changes to the customer’s employment development plan.
- The largest Eligibility Benefits Specialist I induction training class in the division’s history, a cadre of 18, started training in November 2013, and is scheduled to graduate in May 2014. The addition of 10 “trainee” positions in May 2012 has been effective in allowing for larger training classes and more efficient use of trainer resources.

Child Welfare Services

- Received a monthly average of 266 calls of suspected child abuse and neglect, investigated monthly average of 154 referrals and provided short term services to families when needed.
- Provided 212 children with Intensive Family Maintenance Services to maintain them safely in their own home.
- Reunified 104 Children in 2013 with their parents.
- Provided placement for 352 children. Placement of children with relatives increased from 24.8% in July 2013 to 29.1% in February 2014. During the same period, the number of children and youth in group home settings dropped from 8.6% to 6.3%.
- Staff provided on average 160 monthly supervised visits between children and their parents in our Visitation Center.
- Staff assessed or reassessed the homes of between 12 to 15 relatives a month for placement.
- Staff finalized 51 adoptions in 2013.

Older and Disabled Adult Services

- This division provided services to approximately 3,050 IHSS recipients (a 5% increase over 2012).
- Staff processed background checks and provided in-person orientations or printed materials for about 1,015 in-home care providers and linked 4,300 providers to 3,050 IHSS recipients.
- Staff in the Fraud Investigation Unit investigates on average 130 reports of adult abuse and neglect each month, an increase of 8% over FY2012/13.
- The Public Guardian’s Office provided services to an average of 170 conserved clients each month and 70 public administration cases each month (no increase from last year).

Welfare Administration

- The Welfare Fraud Investigation Overpayment Recovery Unit computed $2,051,676 in overpayments in CalWORKs, CalFresh and Welfare-to-Work, an increase of 111% compared to FY2012/13.
- The Welfare Fraud Appeals Unit had a 2% increase in the number of Appeals cases received and decisions rendered from 2012 to 2013. This slight increase (2% rather than 11% over the previous 2 years) is largely due to the increase in EE workers who are better able to mitigate issues prior to clients requesting filing an appeal.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of $3,399,921 or 3.8% in revenues and appropriations when compared to the FY2013/14 Adopted Budget. The County General Fund contribution of $4,371,312 has been reduced by $797,245 or 15.4% primarily due to funding of local match obligations with increases in 1991 and 2011 Realignment Sales Tax revenues.

Primary Funding Sources

The primary funding sources for Social Services' 17 major programs are State Allocations and Federal funds. Federal funding includes: Title IVE Foster Care and Adoptions Assistance, Title XIX MediCal, Title XIX Health Related (CWS, IHSS and APS), Temporary Assistance for Needy Families (TANF) known as CalWORKs, Title XX Community Services, Title IVB Promoting Safe and Stable Families (PSSF) & Child Welfare Services Emergency Assistance, and funds from the Department of Agriculture (CalFresh).

The State funds are used for the following programs: In-Home Supportive Services (IHSS), California Work Opportunity and Responsibility to Kids (CalWORKs), County MediCal Services Program (CMSP) and CalFresh Eligibility. The State of California 2011 Public Safety Realignment legislation diverts 1.0625 cents of sales tax revenues from the State to the counties for the State's share of cost for Adoptions, Child Welfare Services (CWS), Foster Care Administration, Child Abuse Prevention, Intervention and Treatment (CAPIT), Transitional Housing Program Plus (THP Plus), Independent Living Program (ILP), Adult Protective Services (APS) and State Family Preservation (SFP). The net effect of this new funding mechanism is that the County is now responsible for 100% of the non-federal share of costs in realigned programs. The County has a required share of cost for most of these programs, with the exception of ILP, Promoting Safe and Stable Families, MediCal and CMSP. CalWORKs and CalFresh share County Maintenance of Effort (MOE) of $1,870,052. Once this CalWORKs MOE is met, the funding for these two programs is 100% State and Federal Funds.

Primary Operating Expenses

Primary costs for Social Services (BU 7680) are: $60,980,862 for salaries and employee benefits, $10,586,306 for services and supplies, $12,750,702 for other charges include $1,715,658 for countywide administration (A-87) charges, $117,450 in fixed assets, $2,518,576 for other financing uses, and $6,916,746 in intra-fund transfers. Costs of $1,236,643 for IHSS Public Authority Administration are described separately in (BU 7690).

The primary program costs are as follows:

Employment and Eligibility (BU 7650) with recommended Appropriations of $52,702,890. Staff accounted for within this cost center includes eligibility workers, employment resource workers, supervisors, clerical staff, accounting staff, managers, and administrators dedicated to eligibility determination and welfare-to-work programs, including CalWORKs, MediCal, CMSP, CalFresh, Refugee and General Assistance.

Welfare Administration (BU 7545) with recommended Appropriations of $7,056,095 accounts for expenses which include welfare fraud investigators, appeals specialists, accounting staff, clerical staff, and an administrator who receive reports of potential fraud in all social services programs. WA conducts investigations on these reports and also hears appeals from clients regarding decisions made on benefits for assistance programs and IHSS services. Clerical and accounting staff that handles fiscal disbursement functions for the assistance programs is also included in this cost center. Additionally, the Quality Control (QC) unit that includes employment resource workers and a supervisor who review case files for compliance with regulations, primarily for CalWORKs and CalFresh programs, was moved to the Employment and Eligibility Division in FY2013/14.

Child Welfare Services (BU 7600) with recommended Appropriations of $20,614,538 accounts for expenses that include the social workers, supervisors, clerical staff, eligibility workers, managers, and administrators dedicated primarily to child protective services. CWS serves families at risk of having their children removed from their custody, and the children who are placed in foster care. Other programs administered are Foster Care Eligibility, Adoptions, Supportive and Therapeutic Options, Family Preservation services, Wrap Around Services, Child Abuse Prevention and contracted Community Services.

Older Disabled Adult Services (BU 7640) with recommended Appropriations of $9,337,244 accounts for expenses that include social workers, clerical staff, accounting staff, nurses, supervisors, a manager, and an administrator dedicated to providing In-Home Supportive Services (IHSS), Adult Protective Services (APS), and Public Guardian functions.

Special Projects (BU 7675) with recommended Appropriations of $3,505,434 accounts for expenses that include the Transitional Housing Assistance Program for emancipated foster youth, the CalWIN database and computer system used to determine eligibility for Assistance Programs, and the contract with Hewlett Packard along with other cost associated covered by the CalWIN allocation. This budget unit does not have any permanent staff assigned.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	2,733	3,500	15	(3,485)	(99.6%)
Intergovernmental Rev State	42,361,079	44,926,329	48,935,317	4,008,988	8.9%
Intergovernmental Rev Federal	29,575,725	39,608,802	39,687,432	78,630	0.2%
Charges For Services	1,151,437	703,451	828,971	125,520	17.8%
Misc Revenue	57,453	60,082	0	(60,082)	(100.0%)
Other Financing Sources	0	0	47,595	47,595	0.0%
General Fund Contribution	5,498,724	5,168,557	4,371,312	(797,245)	(15.4%)
TOTAL REVENUES	**78,647,151**	**90,470,721**	**93,870,642**	**3,399,921**	**3.8%**
APPROPRIATIONS					
Salaries and Employee Benefits	48,844,263	58,484,141	60,980,862	2,496,721	4.3%
Services and Supplies	8,881,577	10,495,578	10,586,306	90,728	0.9%
Other Charges	9,617,561	12,354,827	12,750,702	395,875	3.2%
F/A Equipment	15,909	67,450	117,450	50,000	74.1%
Other Financing Uses	5,061,513	2,447,352	2,518,576	71,224	2.9%
Intra-Fund Transfers	6,243,363	6,621,373	6,916,746	295,373	4.5%
TOTAL APPROPRIATIONS	**78,664,186**	**90,470,721**	**93,870,642**	**3,399,921**	**3.8%**
NET CHANGE	**17,035**	**0**	**0**	**0**	**0.0%**

STAFFING					
Social Services Division	560.65	605.75	640.15	34.40	5.7%
TOTAL STAFFING	**560.65**	**605.75**	**640.15**	**34.40**	**5.7%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Recommended Budget represents a net increase of $3,399,921 or 3.8% in revenues compared to the FY2013/14 Adopted Budget. Primarily due to increased funding for Health Care Reform implementation, increases in Health Related funding for IHSS and APS administration, and increases in 2011 and 1991 Realignment. This net increase includes a County General Fund contribution decrease of $797,245.

State, Federal and Realignment revenues include an increase of $4,087,618 due to increased funding for cost increases in Eligibility and Employment, Child Welfare Services, and Older and Disabled Adult Services. The additional revenue helps to provide sufficient staffing for current operations and to address the anticipated staffing needs for Health Care Reform, to serve families with children in foster care or at risk of foster care placements, and for growing demands in the In-Home Supportive Services (IHSS) program. Revenues increases are projected for CalWORKs, MediCal, CalFresh, and Title XIX Health related revenue. Title IVE Federal revenue for Child Welfare programs is projected lower due to changes in the calculation of the federal discount rate that provides reimbursement only for Child Welfare cases eligible for federal funding. Revenue generated for social services programs is reimbursed by the Federal Government and State based on the combination of actual eligible hours worked by staff in specific program areas to provide services to clients. An increase in staffing will increase eligible hours worked dedicated to various programs and will generate associated reimbursements for those hours. The Department's projected increase assumes that the State will continue to provide adequate funding for the Health Care Reform implementation operations.

2011 Realignment provides funding formerly supported through State General Fund Allocations for Child Welfare Services which includes the following components and programs: State Family Preservation, the Transitional Housing Program for foster youth, Adult Protective Services, Foster Care Administration, Child Abuse Prevention, Intervention and Treatment (CAPIT), Independent Living Program, and Adoption Services. The FY2013/14 level of funding mirrored the amounts allocated in FY2011/12 when 2011 Realignment was first implemented. The methodology for the distribution of the 2011 Realignment funding changed in FY2013/14, and the Counties were allocated a set percentage of the projected 2011 Realignment Sales Tax revenue to cover all of the realigned programs. The percentage assured that Counties would not receive any less funding than the 2011 Realignment funding distributed through the AB 118 formulas and percentages in FY2011/12. 2011 Realignment is projected to increase in FY2014/15 by $244,607 or 3.6% reflecting projected increases in sales tax receipts. Additionally, 1991 Realignment Sales Tax revenues are projected to increase by $554,805 or 9%. As a result of these increases, HSS can reduce the County General Fund requested for these realigned programs.

The FY2014/15 Recommended Budget for Social Services projects a $3,399,921 net increase in expenditures compared to the FY2013/14 Adopted Budget. The projected increase results from the following changes in current operations:

Salaries and Benefits are the largest portion of this increase accounting for a $2,496,721 net increase due the additional positions in FY2013/14 Midyear and Recommended Budget. The positions provide additional staff to address the impact of current and anticipated caseload increases. The most significant factors are the increased cost in salaries of $2,499,804 a $761,105 increase in retirement costs, a $848,704 increase in employer's health insurance costs, offset by a $1,743,781 increase in Salary Savings, a $337,855 decrease in Extra Help costs, a $108,730 decrease in unemployment insurance, and $51,614 decrease in dental insurance.

Other Charges increased by $395,875 primarily due to a $711,652 increase in A-87 overhead charges, increases in Interfund services of 259,098, and a new appropriation of $646,511 for the In-Home Supportive Services (IHSS) MOE. The MOE expenditure was initially appropriated in the FY2013/14 Midyear Budget. These increases are offset by a $595,020 decrease in Contracted Direct Services due to reductions to the Transitional Housing Plus contract for emancipated foster youth and reductions to CalWORKs client services contracts. Additional reductions include a $431,604 decrease in CWS legal fees and a $168,500 decrease in small projects.

Fixed Assets reflect a net increase of $50,000 which includes $30,000 for a computerized numbering system to be installed in the Vallejo Employment and Eligibility Services lobby to improve the flow of clients waiting for appointments; and $20,000 for a new vehicle for the recently established Vallejo office for Older and Disabled Adults to be used for client visits; $57,450 for the CWS electronic court noticing and $10,000 for an ODAS Interactive Voice Response system that has been re-budgeted in FY2014/15. The total requested for fixed assets is $117,450.

Intrafund Transfers increased by $297,429 due to increased overhead costs for the H&SS Administration Division which are allocated to all programs throughout the department.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2013/14 Budget are provided below:

Welfare Administration

Moved between H&SS Divisions (Welfare Administration 7545 to E&ES Division 7650)

- (4.0) FTE Employment Resources Specialist III
- (1.0) FTE Special Programs Supervisor

Child Welfare Services (Revenue offset with State and Federal Funds)

Moved between H&SS Divisions (Public Health 7800 to CWS Division 7600)

- 1.0 FTE Social Worker III

Approved at Mid-Year Budget total of 8.9 FTE to support CWS Intensive Family Reunification services

- 1.9 FTE Office Assistant II
- 5.0 FTE Social Worker III
- 2.0 Social Services Supervisors

Older and Disabled Adult Services (Revenue offset with State and Federal Funds)

Moved between H&SS Divisions (Administration 7501 to ODAS Division 7640)

- 1.0 FTE Accounting Clerk I

Add/Delete July 24, 2014, effective December 8, 2013:

- 1.0 FTE Deputy Director Older and Disabled Adult Services
- (1.0) FTE Social Services Administrator

Employment and Eligibility Services

Moved between H&SS Divisions (Welfare Administration 7545 to E&E Division 7650)

- 4.0 FTE Employment Resources Specialist III
- 1.0 FTE Special Programs Supervisor

Approved at Mid-Year Budget a total of 10.0 FTE to support the Family Stabilization component of the CalWORKs program and enrollment staff located on-site at medical facilities, mental health clinics, and correctional settings within the county.

- 3.0 FTE Social Worker III
- 5.0 FTE Eligibility Benefits Specialist I/II
- 1.0 FTE Office Assistant II
- 1.0 FTE Social Services Supervisor

The FY2014/15 Recommended Budget includes the addition of 13.5 FTE positions:

For Older and Disabled Adults (ODAS) it is recommended to add the following 7.5 FTE positions to address an increase in caseload relating to new assessments for both IHSS and APS programs. Due to State and Federal regulatory standards, additional staff is required to comply with requirements for completing initial home visits timely and quality assurance. The positions are funded with State and Federal revenues.

- 1.0 FTE Office Assistant II
- 3.5 FTE Social Worker II
- 3.0 FTE Social Worker III

For Employment and Eligibility Services it is recommended to add 6.0 FTE positions to meet the new requirements of AB74 Family Stabilization in CalWORKs and to provide dedicated supervision for Eligibility Specialist which are outsourced to medical facilities, mental health clinics, and correctional settings. The positions are funded with State and Federal revenues.

- 3.0 FTE Social Worker II
- 1.0 FTE Social Worker III
- 1.0 Eligibility Benefits Specialist III
- 1.0 Eligibility Benefits Specialist Supervisor

The FY2014/15 Recommended Budget includes the following reclassifications based on Human Resources assessment and determination:

Welfare Administration

- Reclassify 2.0 FTE Accounting Clerk III to 2.0 FTE Accounting Clerk II (effective 7/6/14)
- Reclassify 1.0 FTE Office Assistant III to 1.0 FTE Office Assistant II (effective 7/6/14)

Child Welfare Services

- Reclassify 1.0 FTE Office Assistant III to 1.0 FTE Office Assistant II (effective 7/6/14)

Older and Disabled Adult Services

- Reclassify 1.0 FTE Accounting Clerk III to 1.0 FTE Accounting Clerk II (effective 7/6/14)

Employment and Eligibility Services

- Reclassify 3.0 FTE Office Assistant III to 3.0 FTE Office Assistant II (effective 7/6/14)

PENDING ISSUES AND POLICY CONSIDERATIONS

2011 Realignment provides a dedicated funding source from sales tax for Foster Care, Adoptions, Child Protective Services, and Adult Protective Services. The guidelines are broadly defined to allow counties flexibility in structuring realigned programs. However, cash flow problems for these programs may pose a significant risk to counties since the total amount of funding generated may vary based on sales tax receipts. The State no longer has a share of program costs; the Counties assume the risk of not having sufficient funding for cost increases, especially for Assistance programs where the services are mandated and the County has no discretion regarding the eligibility factors.

The State is currently studying the impact of the Community First Choice Option program on savings in residential placements by implementing this program in six pilot counties. The program provides assistance with activities of daily living to Medicaid recipients who have a chronic illness, medical condition or disability. Services are provided in the home, and many of the eligible residents are now being referred to In Home Supportive Services (IHSS). The IHSS caseload is, therefore, expected to increase.

On Tuesday September 17, 2013, the US Department of Labor announced new regulations that will require overtime pay for the 4,300 Solano County IHSS workers effective January 1, 2015. California counties have been working with the California Department of Social Services and the legislature to develop new guidelines. The guidelines are expected to be completed by June 2014, and will, establish a system for IHSS providers to be paid based on hours capped at a standard 40 hour workweek. This new process is expected to impose additional administrative burdens on counties to track, monitor and regulate overtime and may require additional staff. However, these regulations are not expected to impact the County's share of the IHSS MOE cost for provider wages.

Legislation (SB738) is moving forward to serve Commercially Sexually Exploited Children (CSEC). According to the legislation, "the Federal Bureau of Investigation reports that as many as 100,000 children are commercially sexually exploited each year nationally. Studies show that virtually all exploited children have suffered extensive sexual, physical or emotional abuse and that the majority are involved with, or have been involved with, California's county based child welfare system. The circumstances of abuse and neglect that led to a child's involvement with CWS later leave youth particularly vulnerable to manipulative and abusive exploiters." While timelines are unknown, current efforts are underway to prepare Child Welfare Services to be able to serve this specialized population and handle the increased caseload numbers.

Legislation authorized Continuum of Care Reform (CCR) through Senate Bill 1013 (Chapter 35, Statutes of 2012). W & I code 11461.2 was added that required CDSS to consult with stakeholders to develop recommendations for revisions to the State's current rate setting system and services across the continuum of existing placement settings. It is anticipated that foster care costs will increase, and additional program responsibilities will be added for Child Welfare Services.

The California Department of Social Services has been notified officially that California did not meet the work participation rate requirements for FFY's 2008, 2009, and 2010. The statewide liability for Federal Fiscal Year 2008 is $47.4 million and for Federal Fiscal Year 2009 it is $113.6 million. For Federal Fiscal Year 2010, the liability statewide is $179 million. The Federal government rejected the State's appeals for all three years, and the State is continuing to pursue other appeal options and is also working on corrective action plans to mitigate the impact of these findings. H&SS will continue to follow this matter closely and encourages the County to consider establishing a designated reserve for this unfunded liability.

BUREAU PURPOSE

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

FUNCTION AND RESPONSIBILITIES

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

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

Accomplishments include:

- Maintained an average of 116 available caregivers on the Registry to match with IHSS recipients. Given the average population of IHSS consumers is 3,400, this average is far below the established 10% goal. The reason this occurred is because there was not sufficient staffing in the Public Authority to conduct recruitment, and the candidate pool could not pass background checks. The Public Authority was able to hire additional staff effective December 2013, and set goals to add 150 caregivers by January 2015, and another 100 by July 2015. Since July 2013, the Public Authority has received 212 interest forms and has interviewed 70 individuals. It is critical that sufficient providers are available on the Registry because of the upcoming State plan to limit caregivers to 40 hours per week. We will need many backup providers to assist consumers.
- Had a 53% success rate in matching available providers with IHSS consumers within 20 days. With the addition of another staff who speaks Spanish, the Public Authority can follow up quicker, and provide enhanced services to those clients who live in rural areas or have special needs.
- Provided over 6,000 IHSS consumers and caregivers access to training and information through their website and annual outreach conference. Providing actual training has been an ongoing challenge given the diminishing resources of both governmental and non-governmental entities. The Public Authority staff's number one priority is to recruit sufficient caregivers to the Registry, and will then move on to ensure adequate training.

WORKLOAD INDICATORS

During the calendar year of 2013, the H&SS Public Authority staff received and processed 416 referrals from Older and Disabled Services program, resulting in 221 successful matches between providers and consumers. During the same period Public Authority staff assisted in provider enrollment for over 343 individuals, and processed health benefits paperwork for an average of 640 IHSS providers per month, as well as maintained a waiting list of over 482 IHSS providers.

BUREAU BUDGET SUMMARY

The Recommended Budget represents an overall increase $538,809 or 77.2% in revenues and in appropriations, when compared to FY2013/14 Adopted Budget.

<u>Primary Funding Sources</u>

An operating transfer-in of $1,236,643 from the IHSS Public Authority (BU 1521) provides the revenue to cover the expenditures. Federal and State reimbursement revenue for administrative costs as well as required County General Fund match is also budgeted in (BU 1521).

Primary Cost

Primary costs for IHSS Public Authority Administration (BU 7690) are: $540,752 for salaries and employee benefits, $110,422 for services and supplies, which includes a contract for Refined Technology, Inc. and $12,000 to provide the Care Tracker System with technical support to manage the registry and administer the health benefits plan along with a $25,000 contract with Industrial Employers & Distributors Association (IEDA) to provide consulting services; $585,469 for other charges which includes $470,816 for the IHSS MOE, A-87 charges and charges from other Departments; $22,082 for other financing uses; and $92,571 in intra-fund transfers.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	429,456	0	0	0	0.0%
Charges For Services	16,085	0	0	0	0.0%
Misc Revenue	1,820	0	0	0	0.0%
Other Financing Sources	542,367	697,834	1,236,643	538,809	77.2%
General Fund Contribution	6,520	0	0	0	0.0%
TOTAL REVENUES	**996,249**	**697,834**	**1,236,643**	**538,809**	**77.2%**
APPROPRIATIONS					
Salaries and Employee Benefits	392,579	508,071	540,752	32,681	6.4%
Services and Supplies	81,413	106,150	110,422	4,272	4.0%
Other Charges	13,462	12,959	470,816	457,857	3533.1%
Other Financing Uses	18,485	21,923	22,082	159	0.7%
Intra-Fund Transfers	489,286	48,731	92,571	43,840	90.0%
TOTAL APPROPRIATIONS	**995,225**	**697,834**	**1,236,643**	**538,809**	**77.2%**
NET CHANGE	**(1,023)**	**0**	**0**	**0**	**0.0%**

STAFFING					
In-Home Supportive Services PA	3.75	5.00	5.00	0.00	0.0%
TOTAL STAFFING	**3.75**	**5.00**	**5.00**	**0.00**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Increases in expenditures have resulted primarily in salaries and benefits COLA and health insurance increases, in the newly budgeted amount for the IHSS MOE and H&SS Department Overhead. The mechanism has changed for accounting for the County's share of the IHSS Public Authority costs due to the implementation of the IHSS MOE. Instead of having a percentage share of actual expenditures, the County receives a bill each month for the County's IHSS MOE. Therefore, costs are now appropriated as expenditures. The increases in the IHSS Public Authority administration budget do not require any additional County General Fund support in (BU 1520). The revenue for (BU 7690) is an operating transfer in from the dedicated IHSS Public Authority (Fund 152 - BU 1520), where the costs of administering IHSS Public Authority are isolated and claimed for reimbursement.

SUMMARY OF POSITION CHANGES

There are no changes in position allocation.

PENDING ISSUES AND POLICY CONSIDERATIONS

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

DIVISION PURPOSE

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

FUNCTION AND RESPONSIBILITIES

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Projecting the cost of assistance programs is challenging, given current economic conditions, court decisions and changes in State regulations. Expenditures for General Assistance are supported 100% by the County General Fund. The FY2014/15 budget includes an estimated General Fund contribution of $2,594,277 based on the current downward trend in caseload. As the economy improves, caseloads tend to be lower, but General Assistance is not always predictable, which makes budgeting for this program a challenge.

In-Home Supportive Services (IHSS) Provider Wages are budgeted at $7,474,966 that includes the increase required for the IHSS MOE per Statute. This budget reflects only the County share of this Program. The payroll for provider wages is paid by the State, and the County is subsequently billed for the IHSS MOE amount. The use of an MOE methodology remains contingent upon the success of a continuum of care approach for long term care. The State successfully negotiated a waiver agreement with the Federal government last year and has since implemented the Coordinated Care Initiative in eight (8) pilot counties. The State will be tracking the success of these counties in containing the cost of long term care that includes the In-Home Supportive Services Program during the three year pilot program.

The cost of Foster Care is projected to increase for the 442 foster children served by H&SS primarily due to the cost of 27 new AB 12, Extended Foster Care cases but also due to a 2.85% increase to Foster Care Rates implemented in August of 2013. The increased cost is mitigated by the success of the concentrated family maintenance services effort that has provided more intensive case management services in order to maintain at risk children in their own homes, as opposed to having more placements in foster care. In FY2013/14, additional staff was approved for intensive family reunification services designed to reduce the time that a child remains in foster care placement, once that child is removed as well as to step down out of home foster care placements from higher levels where possible. While, over-all decreases in cost may not be realized in the coming fiscal year, the intensive family maintenance and reunification programs are expected to reflect decreases in the cost of foster care placements by reducing new out-of-home placements, reducing time spent in an out-of-home placement and improving outcomes for at risk children.

The cost of Adoptions Assistance is projected to increase which is good news in general since achieving permanent placement for foster children is the desired goal. This increase represents an average of 3 additional children per month being adopted, and also reflects the 2.85% increase in rates imposed by the State in August 2013. The cost per case is increasing by $51 per month.

Both Foster Care and Adoptions assistance programs are included in the 2011 Public Safety Realignment legislation that redirected Sales Tax revenues to Counties to fund the State's share of these programs. It is assumed that sales tax revenue designated for Adoptions and Foster care will increase in FY2014/15. The Statutes for FY2013/14 provided a funding percentage for each County that conforms to the actual costs incurred for each of the realigned programs in FY2011/12 and subsequent legislation provided constitutional protection for the sales tax funding and mandates for State and Local Governments. Since the County now has 100% responsibility for any costs not covered by Federal funding, increases in what would have been the State's share of program costs are intended to be covered by increases in sales tax revenues. In the event that sales tax revenues are not sufficient, then the cost to the County General Fund will increase. However, projections for FY2014/15 sales tax revenues are good and are expected to be sufficient. Therefore, no additional County General Fund is included in the Recommended Budget for Assistance programs.

CalWORKs Assistance was realigned differently from other programs because the State did a one-time shift of funds from Proposition 63 to fund Mental Health Programs, and in turn shifted 1991 Mental Health Realignment funds to pay for CalWORKs

Assistance costs. To the extent that Mental Health 1991 Realignment funds do not cover the State's share of cost for CalWORKs, the State is continuing to fund their share from State General Fund. This method for covering the State's share of CalWORKs costs is expected to continue in FY2014/15.

During FY2014/15, even with the best projections, there is a possibility that costs for the assistance programs may exceed budgeted appropriations and require a transfer from General Fund Contingency. H&SS and the County Administrator's Office closely monitor expenditures of the Assistance Programs; if adjustments are required they would be made at Midyear and/or Third Quarter.

WORKLOAD INDICATORS

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

DIVISION BUDGET SUMMARY

The Recommended Budget represents an overall decrease of $33,958 or 0.1% in revenues and appropriations when compared to FY2013/14 Adopted Budget. County Contribution of $8,767,405 remains the same as budgeted in FY2013/14.

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). Assistance programs were realigned in 1991 and in 2011 for non-federal costs and State and County sharing ratios vary by assistance program:

PROGRAM	Prior to 1991 Realignment County Share of Cost	1991 Realignment County Share of Cost	2011 Realignment County Share of Cost
Foster Care	5%	60%	100%
CalWORKs Aid	11%	5%	5%
Adoptions	0%	25%	100%
In-Home Supportive Services Provider Wages	3%	35%	N/A

The primary cost centers for this budget are as follow:

Adoptions Assistance: Recommended appropriation is $5,857,666 funded by $2,471,383 in Federal funds and $3,270,058 in 1991 and 2011 Realignment funds. County General Fund cost is $116,225.

Foster Care Assistance: Recommended appropriation is $10,676,418 funded by $3,323,915 in Federal funds and $6,596,739 in 1991 and 2011 Realignment Funds. County General Fund cost is $755,764.

CalWORKs Assistance: Recommended appropriation is $33,254,867 funded by $10,531,086 in Federal funds and $21,859,477 in State and 1991 Realignment funds. The County General Fund portion is $864,304.

Refugee Assistance: Recommended appropriation is $11,309 funded by $11,284 in Federal funds and $25 in County General Fund for unclaimable Countywide cost allocation plan charges.

General Assistance: Recommended appropriation is $2,594,277 funded 100% with County General Fund.

County Only Foster Care: Recommended appropriation is $133,399 funded 100% with County General Fund.

IHSS Individual Provider: Recommended appropriation is $7,474,966 funded 100% by 1991 Realignment and County General Fund. The County General Fund portion is $4,303,403. The 1991 Realignment portion is $3,171,563 and increased by $259,927 to fund the 3.5% increase in the IHSS MOE. In the event that sales tax revenues decline in future years, these annual 3.5% IHSS MOE increases will require increases in County General Fund.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	1,051	0	0	0	0.0%
Intergovernmental Rev State	33,836,852	26,897,882	34,897,837	7,999,955	29.7%
Intergovernmental Rev Federal	15,047,244	24,371,581	16,337,668	(8,033,913)	(33.0%)
Misc Revenue	747,503	0	0	0	0.0%
General Fund Contribution	9,824,604	8,767,405	8,767,405	0	0.0%
TOTAL REVENUES	**59,457,253**	**60,036,868**	**60,002,910**	**(33,958)**	**(0.1%)**
APPROPRIATIONS					
Other Charges	59,381,648	60,036,868	60,002,910	(33,958)	(0.1%)
Other Financing Uses	1,171,204	0	0	0	0.0%
Intra-Fund Transfers	(1,095,599)	0	0	0	0.0%
TOTAL APPROPRIATIONS	**59,457,253**	**60,036,868**	**60,002,910**	**(33,958)**	**(0.1%)**
NET CHANGE	**(1)**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Assistance Programs are funded primarily by Title IVE (Adoptions and Foster Care) and TANF (CalWORKs) federal funds, and 1991 and 2011 Realignment Funds. County General Fund Contribution of $8,767,405 is used to pay the County share. Changes to revenue and appropriations are presented by program. Factors contributing to the budget changes are the net result of:

Adoptions Assistance Program (BU 7901): An increase of $351,663 or 6.4% in both revenues and appropriations compared to the FY2013/14 Adopted Budget. The Adoptions program is impacted by a series of California Necessities Index (CNI), rate increases and the changes will increase the average cost of the grant to more than 520 Adoptive Families by $51 per month. Caseload is expected to increase over the year by approximately 10 cases. CGF is expected to remain at $116,225.

Foster Care Program (BU 7903): An increase of $1,019,015, or 10.6% in both revenues and appropriations compared to FY2013/14 Adopted Budget. The increase primarily reflects the cost of 27 new Extended Foster Care cases resulting from the AB 12 legislation. In addition, HSS is providing foster care wraparound services to six families that were not previously in the foster care system to avoid out of home foster care placements. These wrap around services are provided at the same rate as foster care placements. Therefore, the county general fund cost of foster care is increasing in the FY2014/15 budget by $335,791. The balance of the increased cost is covered by 1991 Realignment revenue. The Requested Budget does not assume foster care rate increases for FY2014/15. The Board’s investment in increased CWS staffing to provide intensive family maintenance and family reunification is keeping the cost of foster care out of home placements from escalating even more than the current projected increases.

CalWORKs Assistance (BU 7904): A decrease of $1,335,040 or 3.9% in both revenues and appropriations, which assumes a 7% drop in caseload partially resulting from changes in program requirements, including reductions in time limits to stay on aid. CGF is decreasing by $444. The State is providing a 5% grant increase to CalWORKs clients that are to be funded through specially designated 2011 Realignment growth accounts. The cost of these increases is intended to be cost neutral to Counties. If this cost neutrality is implemented then CGF may decrease slightly.

General Assistance (BU 7907): A decrease of $352,409, in appropriations and CGF contribution is due to a projected average reduction of 200 cases per month in caseload. Even though the number of cases is declining, the cost per case will increase from an average of $321 to $369 per case per month. The grants are increasing by 5% because they are tied to the CalWORKs grant increases. Additionally, an increase of $40 was assessed on most grants for the cost of CMSP medical services, and now with the conversion of CMSP cases to MediCal, this $40 will be paid to the client instead. However, the combination of reduced caseload offset by grant increases, still results in the projected CGF decrease.

IHSS Provider Wages (BU 7910): An increase of $259,927 in both revenues and appropriations due to implementation of the IHSS MOE. The IHSS MOE establishes a maximum share of costs for provider wages at $7,215,039 for FY2013/14, and is increasing by 3.5% in FY2014/15 per statute. The increase is covered by 1991 sales tax revenue realignment increases. CGF is not increasing.

PENDING ISSUES AND POLICY CONSIDERATIONS

Foster Care: AB 12 was approved in FY2010/11 and extends foster care for youths between the ages of 18 to 21 on a voluntary basis; the impact of this new program is more apparent now that 37 foster youth have opted to remain in foster care. Rate increases are not included in the FY2014/15 Requested Budget because information on changes is not available. However, legislation did authorize a Continuum of Care Consortium to review and recommend changes to the State's current rate setting system for all foster care providers. To date, no recommendations have resulted from the work of this consortium but rate increases could be one outcome that would impact the cost of foster care services and would be evaluated at Mid-Year and/or Third Quarter budget projections. Since the County is now responsible for 100% of the non-federal share of this program, increases in County General Fund may occur.

Adoptions: Increases in State mandated rates are driving up the costs of this program and caseload has been increasing, currently projected at approximately 2%. Since the County is now responsible for 100% of the non-federal share of this program, increases in County General Fund may occur.

CalWORKs: As a result of State program changes over the past two years and associated reductions to the CalWORKs caseload, the cost of aid payments to Solano County is much lower, resulting in reduced State and Federal revenue in this program. The Governor's proposed FY2013/14 budget restored some requirements for families to re-engage in work activities, but the changes that reduced time limits for remaining on aid appear to be reducing caseloads in general. Due to the fluctuations in caseload, it is possible that the reduced caseload projected for FY2014/15 may be too optimistic. Increases in County General Fund may occur, but are limited to 2.5% of the total benefits paid to recipients.

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2012/13 ACTUAL	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	2,813,732	2,984,293	3,776,903	792,610	26.6%
7950 TOBACCO PREVENTION & EDUCATION	150,636	217,368	181,188	(36,180)	(16.6%)
9600 MHSA	16,271,339	13,555,516	15,695,117	2,139,601	15.8%
APPROPRIATIONS					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	2,813,734	2,984,293	3,776,903	792,610	26.6%
7950 TOBACCO PREVENTION & EDUCATION	174,966	217,368	181,188	(36,180)	(16.6%)
9600 MHSA	13,423,811	16,923,691	16,723,735	(199,956)	(1.2%)
NET CHANGE					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	(2)	-	-	-	0.0%
7950 TOBACCO PREVENTION & EDUCATION	(24,330)	-	-	-	0.0%
9600 MHSA	2,847,528	(3,368,175)	(1,028,618)	2,339,557	(69.5%)

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

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITIES

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

The IHSS Public Authority operates a Provider Registry of available care providers to match screened caregivers with individuals who need care, or IHSS recipients. The IHSS Public Authority provides training for IHSS providers and recipients. Acts as the Employer of Record for IHSS providers in terms of collective bargaining for wages and benefits; administers the IHSS provider health plan benefits. Provides support to the IHSS Public Authority Advisory Committee, and performs any other functions that may be necessary for the operation of the IHSS Public Authority and/or the delivery of In-Home Supportive Services in Solano County.

In FY2012/13 the State implemented an IHSS MOE which established the County's share of cost for three components, IHSS Program Administration, IHSS Public Authority Administration, and IHSS Provider Wages based on FY2011/12 costs. The legislation built an annual increase of 3.5% to the base amount starting in FY2014/15. This budget unit includes administrative costs incurred by the IHSS Public Authority and health benefits plan costs for IHSS providers. The County General Fund share for IHSS provider wages is included in the H&SS Assistance Programs (BU 7900).

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

In FY2011/12, SB1036 established the California In-Home Supportive Services Authority (Statewide Authority) and deemed the authority a joint powers authority separate and apart from the participating parties. Eight pilot counties are now affiliated with this JPA for the purpose of labor negotiations. Based on the success of this JPA, it could expand to assume the responsibility for statewide labor negotiations in 2016.

An IHSS-MOE was also established as an avenue to permanently replace the County's share of cost for the administration of the IHSS program cost in ODAS, IHSS provider wages, and for IHSS Public Authority Administration. The base year utilized to establish the MOE is FY2011/12, and effective July 2014 a built in 3.5% inflation factor is added. This new approach to funding the IHSS program will include moving labor negotiations with IHSS Providers from the local government Public Authority level to the State level over a three year period commencing in FY2013/14. This change is contingent upon the success of the pilot projects in 8 counties. The State's Coordinated Care Initiative (CCI) intends to utilize a managed care approach for all of the components of long term care and to place these components under the State's control which began in April 2014. If the pilot projects are not successful, the legislation (SB1036) allows the State to terminate the CCI project, and collective bargaining would return to the counties and the MOE would revert to the pre-existing 35% of non-federal cost.

The Solano County IHSS Public Authority administers the health benefits plan for an average of 675 IHSS providers. In 2013, the Public Authority provided health benefits to 650 providers with 495 on the waiting list. With the implementation of new automation systems in November 2012 (REVA) and March 2013 (CMIPS II), paid hours, enrollment of providers, and caseloads have risen 1.7% Statewide. While the Public Authority is noting a decrease in requests for health benefits due to the implementation of the Affordable Care Act, IHSS applications have increased by 23% because MediCal eligibility regulations allow more MediCal clients to receive IHSS benefits. As of January 2014, the Public Authority is providing health benefits to 714 IHSS providers, with 470 on the waiting list.

WORKLOAD INDICATORS

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

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of $792,610 or 26.6% in both revenues and appropriations when compared to the FY2013/14 Adopted Budget. The County General Fund Contribution of $553,541 remains unchanged for FY2014/15.

The primary funding source for this Budget is Federal Title XIX (MediCal funding), State funds and County General Fund required match. The primary costs appropriated in this budget reflect the cost of health benefits for care providers projected at $2,530,927 and the cost of administration projected at $1,236,643.

Symetra Life Insurance Company administers the health benefits program for the home care providers, and is the only contract included in this budget. This agreement is based on Symetra rates for the insurance premiums and adjusted annually. The administrative costs are budgeted as an operating transfer out to the H&SS budget 7690 where the administrative operating staff and expenses are appropriated.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	763,406	1,054,976	1,454,896	399,920	37.9%
Intergovernmental Rev Federal	1,546,072	1,375,776	1,768,466	392,690	28.5%
General Fund Contribution	504,254	553,541	553,541	0	0.0%
TOTAL REVENUES	**2,813,732**	**2,984,293**	**3,776,903**	**792,610**	**26.6%**
APPROPRIATIONS					
Other Charges	2,271,367	2,286,459	2,540,260	253,801	11.1%
Other Financing Uses	542,367	697,834	1,236,643	538,809	77.2%
TOTAL APPROPRIATIONS	**2,813,734**	**2,984,293**	**3,776,903**	**792,610**	**26.6%**
NET CHANGE	**2**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2014/15 Recommended Budget revenues are funded by both a $392,690 increase in Federal Health Related (Title XIX) revenue and a $399,920 increase in State revenue.

Increases in appropriations of $792,610 is primarily due to an increase of $250,926 for Provider Health Benefits based on current trends for IHSS provider hours projected to increase to approximately 4.2 Million hours in FY2014/15. The cost of Public Authority Administration increasing by $538,809 as outlined in the explanations for budget 7690, due to a new appropriation amount for the IHSS MOE. Since the implementation of the IHSS MOE, the mechanism for accounting for the County's share of cost has changed. In the past, revenue received for this program excluded the County's share of cost, and County General fund covered costs not reimbursed by State and Federal Revenues. Since the implementation of the IHSS MOE, the State now reimburses the County for 100% of costs incurred, and then bills the County separately for the IHSS MOE, thereby requiring an increase to the appropriations to pay the MOE amount, but not requiring any increases to the County General Fund amounts.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

Under current California Law (SB 1036) only the 8 pilot counties implementing the Coordinated Care Initiative (CCI) are scheduled to have employer of record functions transferred from the County/Public Authority to the State beginning 2014 and into 2015. AB485 is another bill currently pending with the legislator under which proposes for all 58 counties to transfer their employer of record functions to the State effective January 2015.

The number of IHSS providers that can be covered by health insurance arranged via the public authority will vary in relation to changes in paid hours because the funding for this benefit is based exclusively on reimbursement at $0.60 per paid provider hour. When the number of paid provider hour's increases, the number of providers that are covered also increases, but must be limited to the total reimbursable amount. The State has proposed a plan to implement a 40-hour a week work cap on providers effective January 2015. It is anticipated that more IHSS caregivers will qualify for expanded MediCal or subsidies through California's health exchange known as Covered California which could change the medical benefit cost in the upcoming year.

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITY

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

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

WORKLOAD INDICATORS

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

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget for MHSA is a combination of $15,695,117 in revenues and $1,028,618 from the MHSA Restricted Fund Balance to fund $16,723,735 in appropriations. MHSA Revenues are directly recognized in this Fund and transferred to H&SS Fund 902 for reimbursable MHSA qualifying expenditures. There is no County General Fund Contribution to this Fund.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	37,866	0	85,888	85,888	0.0%
Intergovernmental Rev State	16,233,473	13,555,516	15,609,229	2,053,713	15.2%
TOTAL REVENUES	**16,271,339**	**13,555,516**	**15,695,117**	**2,139,601**	**15.8%**
APPROPRIATIONS					
Other Charges	0	0	11,493	11,493	0.0%
Other Financing Uses	13,423,811	16,923,691	16,712,242	(211,449)	(1.2%)
TOTAL APPROPRIATIONS	**13,423,811**	**16,923,691**	**16,723,735**	**(199,956)**	**(1.2%)**
CHANGE IN FUND BALANCE	**(2,847,528)**	**3,368,175**	**1,028,618**	**(2,339,557)**	**(69.5%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The net Increase in revenues of $2,139,601 or 15.2% is based on the County share of the State projection for 1% income tax on personal income in excess of $1 million, and interest income earned on the Mental Health Services Act Fund.

The decrease of $199,956 or 1.2% in appropriations is primarily due to a lower transfer amount of MHSA revenues to H&SS Fund 902 for MHSA reimbursable expenditures.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

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

DEPARTMENTAL PURPOSE

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

FUNCTION AND RESPONSIBILITIES

In November 1988, California voters approved the California Tobacco Health Protection Act of 1988, also known as Prop 99. This referendum increased the State cigarette tax by 25 cents per pack and added an equivalent amount on other tobacco products. A portion of this revenue is deposited in the Health Education Account, which is administered by the California Department of Public Health (CDPH), Tobacco Control Program (TCP). This program provides funds for 61 Local Lead Agencies, which operate community-based programs to prevent and reduce tobacco use. The Tobacco Prevention and Education Program (TPEP) is designated as Solano County's Local Lead Agency for tobacco control.

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

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

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

In 2013, 13 community members, including the Tobacco Education Coalition and other stakeholders, conducted extensive Communities of Excellence in Tobacco Control Assessment for Solano County. Based on these findings, TPEP developed a comprehensive tobacco control plan covering three years (2014-2017).

WORKLOAD INDICATORS

- In 2013, TPEP recruited and trained 83 adult and youth volunteers to conduct surveys in 210 Solano stores that sell tobacco in order to identify types of products sold, promoted, advertised, and retail cost.
- In 2013, TPEP provided two trainings to the Solano County Tobacco Education Coalition and the community and more than 34 community members attended the events.
- In 2013, TPEP working with Solano County youth, community partners, and elected officials, conducted community education was able to secure the adoption of resolutions by Vallejo City Council; Dixon Unified School District Board; and Fairfield-Suisun Unified School District Governing Board to encourage US Food and Drug Administration regulation of menthol in cigarettes and the use of artificial flavors or other flavoring additives in other tobacco products.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall decrease of $36,180 or 16.6% in both revenues and appropriations when compared to its FY2013/14 Adopted Budget. There is no County contribution to this budget. The primary funding source for TPEP is the State of California Tobacco Prevention and Education Fund Allocation.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	636	425	300	(125)	(29.4%)
Intergovernmental Rev State	150,000	216,943	180,161	(36,782)	(17.0%)
Charges For Services	0	0	727	727	0.0%
TOTAL REVENUES	**150,636**	**217,368**	**181,188**	**(36,180)**	**(16.6%)**
APPROPRIATIONS					
Salaries and Employee Benefits	12,066	315	376	61	19.4%
Services and Supplies	28,830	80,303	28,312	(51,991)	(64.7%)
Other Charges	3,155	1,117	48	(1,069)	(95.7%)
Other Financing Uses	130,915	135,633	152,452	16,819	12.4%
TOTAL APPROPRIATIONS	**174,966**	**217,368**	**181,188**	**(36,180)**	**(16.6%)**
CHANGE IN FUND BALANCE	**24,330**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

A decrease in revenues of $36,180 is primarily due to a lower fund balance available for this program.

A decrease in expenditures of $36,180 is primarily due to a decrease of $51,991 in consulting services offset by a $16,819 increase in personnel cost reflected under a transfer out to Public Health.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The Fund allocations to Counties have been gradually decreasing as smoking rates in California have been decreasing; however, this is both anticipated and desired.

TPEP continues to work on the implementation of the 2014-2017 Comprehensive Tobacco Control Plan.

First 5 Solano Children & Families Commission

Health & Well Being
- Prenatal Services
- Children's Health Initiative
- Early Childhood Mental Health Services
- Data Collection & Reporting

Early Care and Education
- Child Care Workforce Development
- Pre-Kindergarten Academies
- Wraparound Child Care
- Parent Education

Family Support and Parent Education
- Family Resource Centers
- Basic Needs
- Collaboration

First 5 Futures
- Policy Development
- Business Engagement
- Sustainability Services
- Public Affairs
- Community Engagement

DEPARTMENTAL PURPOSE

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

First 5 Solano's strategic investments of almost $6.8 million annually are used to support an additional $7 million in local, State, Federal and foundation dollars for Solano County's youngest children. First 5 Solano supports 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:	
FY2013/14 Third Quarter Projection:	6,339,800
FY2014/15 Recommended:	6,785,582
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	7.0

FUNCTION AND RESPONSIBILITIES

First 5 Solano funds local community and faith-based organizations, government agencies, and school districts which offer programs and services that align with the following Strategic Plan Priority areas: Health and Well-Being (prenatal, early childhood mental health and children's health services); Early 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, housing supports and parent education services). First 5 Solano is also implementing a "First 5 Futures" initiative designed to generate funding from alternative sources to expand and sustain vital young children's programs and offers legacy system services such as hosting a "meta-collaborative" and a data collection/reporting system for its grantees. First 5 Solano directly operates several programs, such as partnering with the business community, distributing the "Kit for New Parents," supporting and participating in community events, and pursuing policies that strengthen the infrastructure and safety net services for children ages 0-5 and their families. The Commission also supports the countywide antipoverty/pro-prosperity "Solano Safety Net Summits on Poverty" movement which aligns with the 9-county "Rise Together" movement to cut Bay Area poverty in half in 10 years.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Completed the second year of implementation the First 5 Commission's updated Strategic Plan with a 2012-2015 Program Investment Plan of over $14 million in programmatic investments to support the Commission's mission and vision for

Solano County's young children and their families.

- Supported the successful Help Me Grow meta-collaborative national affiliation creating a system of care that connects at-risk children with the services they need.
- Screened, assessed, and referred into appropriate treatment over 1,000 children at risk for serious mental/developmental needs, lessening the chances and/or severity of future special education and other service needs.
- Kept over 175 young children at risk of foster care system involvement safety in their homes and communities through neighborhood-based, multi-disciplinary team home visiting and case conferencing.
- Supported affordable access to health insurance coverage for over 900 young children.
- Provided 426 children pre-kindergarten educational opportunities through Pre-Kindergarten Academies. The children showed improvements in social and learning skills and were more prepared to enter Kindergarten while their parents were more likely to stay involved and support their child's schooling.
- Partnered for a second year with the Solano County Fair to make available the Breast Feeding Friendly Express Van during World Breastfeeding Week, providing breastfeeding moms visiting the fair a safe and comfortable location to nurse their children and information/education to hundreds of young families.

WORKLOAD INDICATORS

- During the period of July 1, 2013 – June 30, 2014, First 5 Solano managed 42 direct-service contracts for over $4.3 million, which provided services to approximately 7,000 children and 8,000 parents/guardians.
- The Commission issued a two-year Parent Information Calendar for 2014 and 2015, featuring tips and resources on a wide variety of early childhood topics of interest to parents and caregivers.
- First 5 Solano helped support the second successful countywide "Opportunity Conference" which targeted young mothers living in poverty to connect them to informal mentors and help them move out of poverty. Solano County was awarded the National Association of Counties Achievement Award for its anti-poverty work.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2012/13 ACTUAL	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FIRST 5 SOLANO	4,470,235	4,078,533	4,118,105	39,572	1.0%
TOTAL REVENUES	**4,470,235**	**4,078,533**	**4,118,105**	**39,572**	**1.0%**
APPROPRIATIONS					
FIRST 5 SOLANO	5,511,476	6,440,239	6,785,582	345,343	5.4%
TOTAL APPROPRIATIONS	**5,511,476**	**6,440,239**	**6,785,582**	**345,343**	**5.4%**
CHANGE IN FUND BALANCE					
FIRST 5 SOLANO	1,041,242	2,361,706	2,667,477	305,771	12.9%
CHANGE IN FUND BALANCE	**1,041,242**	**2,361,706**	**2,667,477**	**305,771**	**12.9%**

STAFFING					
FIRST 5 SOLANO	7	7	7	0	0.0%
TOTAL STAFFING	**7**	**7**	**7**	**0**	**0.0%**

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of $39,572 or 1.0% in revenues and an increase of $345,343 or 5.4% in appropriations when compared to the FY2013/14 Adopted Budget. The FY2014/15 Recommended Budget represents the third year of implementing the Commission's 2012-2015 Program Investment Plan.

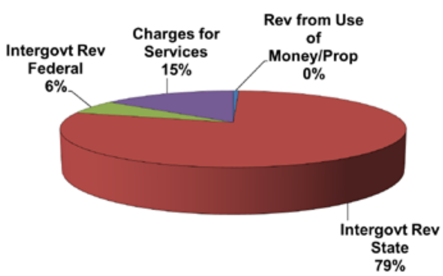
As designed, the primary funding source for First 5 Solano (Proposition 10 Tobacco Tax) is declining. However, community need and benefits of First 5 have continued to grow. To meet this challenge, the Department continues in its "First 5 Futures" Initiative to sustain services in the community by replacing up to half of First 5 Solano's revenues with alternative sources of funding from other government and foundation grants and business partnerships. In addition to its highly successful leveraging efforts (bringing in 59 cents for every 41 cents of First 5 Solano funds allocated), the Commission has also secured over $2.3 million in other revenue sources for community programs.

First 5 Solano's primary cost centers are grant–funded initiatives and internally-run programs and services. First 5 Solano will continue the third year of a 3-year funding cycle in FY2014/15, with over 40 contracts totaling over $14 million over 3 years for services to children ages 0-5 and their families.

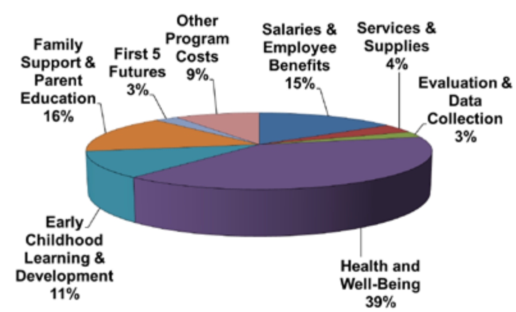
DEPARTMENTS COMMENTS

None.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	72,673	36,438	24,849	(11,589)	(31.8%)
Intergovernmental Rev State	3,650,050	3,344,782	3,246,085	(98,697)	(3.0%)
Intergovernmental Rev Federal	185,091	241,313	241,313	0	0.0%
Charges For Services	456,000	456,000	605,858	149,858	32.9%
Misc Revenue	106,420	0	0	0	0.0%
TOTAL REVENUES	**4,470,235**	**4,078,533**	**4,118,105**	**39,572**	**1.0%**
APPROPRIATIONS					
Salaries and Employee Benefits	891,145	949,359	1,047,862	98,503	10.4%
Services and Supplies	106,947	195,916	207,195	11,279	5.8%
Other Charges	4,478,589	5,259,238	5,494,730	235,492	4.5%
Other Financing Uses	34,791	35,726	35,795	69	0.2%
Intra-Fund Transfers	4	0	0	0	0.0%
TOTAL APPROPRIATIONS	**5,511,476**	**6,440,239**	**6,785,582**	**345,343**	**5.4%**
CHANGE IN FUND BALANCE	**1,041,242**	**2,361,706**	**2,667,477**	**305,771**	**12.9%**

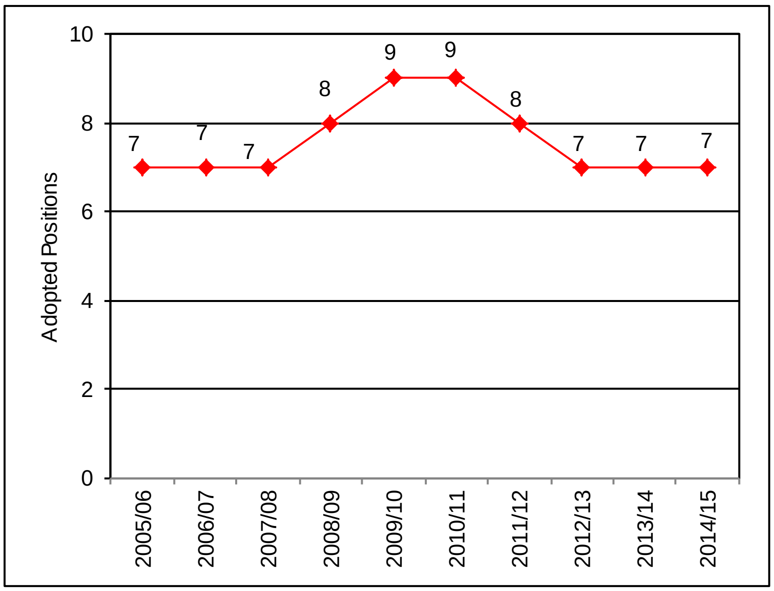
SUMMARY OF SIGNIFICANT ADJUSTMENTS

As designed, Proposition 10 tobacco taxes continue to decline as Californians stop smoking. However, funding for the 2012-2015 Program Investment Plan is stable thanks to the Commission's vision and intention in establishing a Long Term Financial Plan to strategically spend down reserves, as well as its highly successful leveraging practices. As an example of the successful leveraging, in FY2014/15, Health & Social Services has increased its Mental Health Services Act (MHSA) Prevention and Early Intervention (PEI) matching funds to First 5 from $456,000 to $600,000.

SUMMARY OF POSITION CHANGES

There are no changes in the positions allocation.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

Of its $6.7 million Recommended Budget, First 5 Solano currently holds contracts with H&SS amounting to approximately $1.5 million annually. Thus, significant changes at the State and Federal level to health and social services programs could directly impact First 5 programs.

FY2014/15 is the final year of a three-year funding cycle. During FY2014/15, the First 5 Commission will be developing a Program Investment Plan for funding beyond June 30, 2015. First 5 Solano currently holds reserves that would allow for continued funding at current levels for approximately 3 years beyond FY2014/15. The Commission could choose to reduce future annual funding in order to spread remaining reserves over a longer period.

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2012/13 ACTUAL	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1570 GRANTS/PROGRAMS ADMIN	210,779	247,582	797,289	549,707	222.0%
APPROPRIATIONS					
1570 GRANTS/PROGRAMS ADMIN	163,344	247,582	797,289	549,707	222.0%
NET CHANGE					
1570 GRANTS/PROGRAMS ADMIN	47,436	0	0	0	0.0%

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

DEPARTMENTAL PURPOSE

This Budget Unit 1570 was established to track CAO/First 5 Solano's administration, and program cost related to Solano Children's Alliance and other board of Supervisor approved programs/contributions outside of the scope of First 5 Solano Children and Families Commission.

FUNCTION AND RESPONSIBILITIES

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

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

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

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

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Child Abuse Prevention Council was merged with the Solano Children's Alliance in 2013. This merger required the creation of a new set of Bylaws, including revised membership categories which have been filled. The new Bylaws, approved by the Board of Supervisors in April 2013 are designed to fulfill the mission of this new group and maximize their effectiveness, while ensuring that legal mandates related to children are addressed.

On March 15, 2014, the Children's Alliance and community partners convened the First Annual Children & Families Policy Forum "Investing in our Children and Youth: It Makes Perfect Cents" to discuss the major issues affecting children and families with State and local policymakers and shared information and began work on a set of initiatives for children.

WORKLOAD INDICATORS

Increase in the number of contracts from two to nine.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of $549,707 or 222.0% in revenues and appropriations when compared to the FY2013/14 Adopted Budget. The increase in both revenues and appropriations is mainly due to the transfer of Family Resource Center contracts from Health & Social Services budget to this budget unit under the oversight of First 5 Solano.

The Recommended Budget includes a General Fund Contribution of $645,657 which represents a General Fund Contribution increase of $493,020 offset by a decrease in General Fund Transfer In of $78,613 for a net increase of $414,407 from the FY2013/14 Adopted Budget primarily due to the inclusion of funding for the Family Resource Center contracts.

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

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Revenue From Use of Money/Prop	152	0	0	0	0.0%
Charges For Services	30,524	16,332	126,632	110,300	675.4%
Misc Revenue	0	0	25,000	25,000	0.0%
Other Financing Sources	50,000	78,613	0	(78,613)	(100.0%)
General Fund Contribution	130,103	152,637	645,657	493,020	323.0%
TOTAL REVENUES	**210,779**	**247,582**	**797,289**	**549,707**	**222.0%**
APPROPRIATIONS					
Services and Supplies	150,844	185,082	0	(185,082)	(100.0%)
Other Charges	12,500	62,500	797,289	734,789	1175.7%
TOTAL APPROPRIATIONS	**163,344**	**247,582**	**797,289**	**549,707**	**222.0%**
NET CHANGE	**(47,436)**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Solano Children's Alliance (SCA) is funded through a combination of County General Fund and Children's Trust Fund dollars. The Children's Trust Fund is supported through birth certificate fees and donations which in recent years the funding has been declining. The SCA is responsible for making recommendations on the use and appropriation from Children's Trust Fund. In May 2013 the SCA recommended an appropriation of $126,632 for FY2013/14 with the following allocations: $100,300 to FRCs, $10,000 for FRC coordination, and $16,332 for Children's Alliance/CAPC. This same amount is being requested for FY2014/15 and will be pending Children's Trust Fund availability.

The General Fund Contribution of $118,750 in the FY2014/15 Recommended Budget for the SCA/CAPC is the same funding level as the FY2013/14 Adopted Budget.

The General Fund Contribution of $439,407 for the transferred FRC contracts in the FY2014/15 Recommended Budget for FRC coordination is the same funding level as the FY2013/14 Adopted Budget formerly under H&SS.

The FY2014/15 General Fund Contribution of $25,000 for Baby Coach is a $25,000 (50%) decrease from the FY2013/14 Adopted Budget. This is due to $20,000 of funding secured through the First 5 Solano BabyFirst Solano program and $5,000 secured from an outside grant.

The General Fund Contribution of $12,500 in the FY2014/15 Recommended Budget for the Local Child Care Planning Council is the same funding level as the FY2013/14 Adopted Budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The Children's Network and the Family Resource Centers receive funding from the County General Fund and Children's Trust Fund. The Children's Trust Fund revenues have been declining over the last few years. One of the responsibilities of the Children's Alliance is to make recommendations regarding the use of the Children's Trust Fund. The FY2014/15 Recommended Budget includes status quo funding; however, the Children's Alliance may suggest a reduced appropriation for FY2014/15 if this occurs, the budgets for the Children's Network and Family Resources Centers would need to be reduced.

5800 – Fund 001-Veterans Services

Functional Area Summary

Ted Puntillo, Director of Veterans Services
Veterans Services

Veterans Services

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:	
FY2013/14 Third Quarter Projection:	510,535
FY2014/15 Recommended:	440,679
County General Fund Contribution:	310,679
Percent County General Fund Supported:	70.5%
Total Employees (FTEs):	4

FUNCTION AND RESPONSIBILITIES

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

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

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Expanded publication of the Solano Veterans Scene column from the Daily Republic newspaper to other publications in Solano County, including the Reporter online edition and the Dixon Tribune.
- Expanded outreach services to active-duty service members as part of the Transition Assistance program (TAP) at Travis Air Force Base (TAFB) to three full days a week. 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.
- Expanded bi-monthly visits to weekly visits to the Solano County Jail to facilitate outreach to incarcerated veterans. The CVSO assists these veterans in getting released to residential treatment facilities, which is funded by the federal Department of Veteran Affairs, and help plan for the release of inmates so as to start their benefits, housing and medical care immediately upon release.
- Designated a volunteer to assist in public outreach to locate unclaimed remains of veterans and determination of whether the remains are eligible for burial at the Sacramento Valley National Cemetery as part of the Missing in America Project organization, a non-profit corporation and a branch of the American Legion as the designated veterans' remains organization.
- Successfully has expanded the use of volunteers to provide assistance, and outreach to Veterans on programs and services.

WORKLOAD INDICATORS

For the period of July 1, 2012 through June 30, 2013, the CVSO:

- Obtained new and increased monthly claims benefits of over $1 million, which is more than $12.4 million on an annualized basis in new benefit payments. In addition, over $8.4 million in one-time benefits, which consists of single and retroactive benefits were received by veterans or their dependents.

From July 1, 2013 through April 30, 2014, the CVSO:

- Assisted in filing 2,846 claims for benefits to veterans, their dependents or survivors.
- Assisted 1,760 separating service members from TAFB in applying for benefits as part of the TAP.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2012/13 ACTUAL	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
VETERANS SERVICES	192,614	145,000	130,000	(15,000)	(10.3) %
TOTAL REVENUES	**192,614**	**145,000**	**130,000**	**(15,000)**	**(10.3) %**
APPROPRIATIONS					
VETERANS SERVICES	446,356	459,161	440,679	(18,482)	(4.0) %
TOTAL APPROPRIATIONS	**446,356**	**459,161**	**440,679**	**(18,482)**	**(4.0) %**
NET COUNTY COST					
VETERANS SERVICES	253,742	314,161	310,679	(3,482)	(1.1) %
NET COUNTY COST	**253,742**	**314,161**	**310,679**	**(3,482)**	**(1.1) %**

STAFFING					
VETERANS SERVICES	4	4	4	0	0.0 %
TOTAL STAFFING	**4**	**4**	**4**	**0**	**0.0 %**

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents decreases of $15,000 or 10.3% in revenues and $18,482 or 4.0% in appropriations when compared to its FY2013/14 Adopted Budget. As a result, Net County Cost decreased by $3,482 or 1.1%. The CVSO is primarily funded by the General Fund.

The decrease in revenues is attributable to a reduction of $25,000 in Prop 63 (Mental Health) funding; however, this is offset by an increase in the subvention funding received from California Department of Veterans Services (CalVet). The subvention program 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 funding received. Through the efforts of the CVSO, millions of dollars are brought into the county that benefits Solano County's economy.

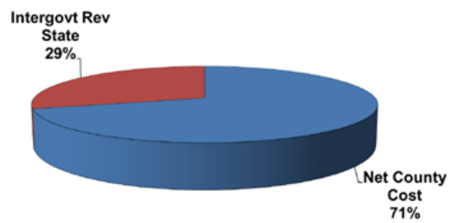
The decrease in expenditures is primarily due to reduction in Countywide Administrative Overhead charges.

DEPARTMENT COMMENTS

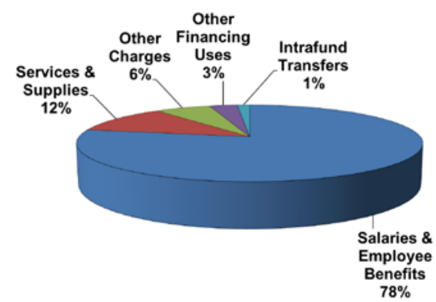
The CVSO continues to concentrate on outreach activities and efforts that increase veteran awareness of the VA benefits that they are entitled to; and thereby, increasing the number of veterans receiving benefits. The end result increases the federal benefit dollars coming into Solano County. In addition, the office continues to use volunteers and collaborations with the Federal Veterans Administration to assist veterans with no additional cost to the County.

Ted Puntillo, Director of Veterans Services
Veterans Services

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2012/13 ACTUALS	2013/14 ADOPTED BUDGET	2014/15 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
Intergovernmental Rev State	192,614	145,000	130,000	(15,000)	(10.3%)
TOTAL REVENUES	**192,614**	**145,000**	**130,000**	**(15,000)**	**(10.3%)**
APPROPRIATIONS					
Salaries and Employee Benefits	318,187	329,450	344,033	14,583	4.4%
Services and Supplies	49,013	48,375	50,092	1,717	3.5%
Other Charges	61,170	61,720	26,964	(34,756)	(56.3%)
Other Financing Uses	13,143	13,616	13,590	(26)	(0.2%)
Intra-Fund Transfers	4,844	6,000	6,000	0	0.0%
TOTAL APPROPRIATIONS	**446,356**	**459,161**	**440,679**	**(18,482)**	**(4.0%)**
NET COUNTY COST	**253,742**	**314,161**	**310,679**	**(3,482)**	**(1.1%)**

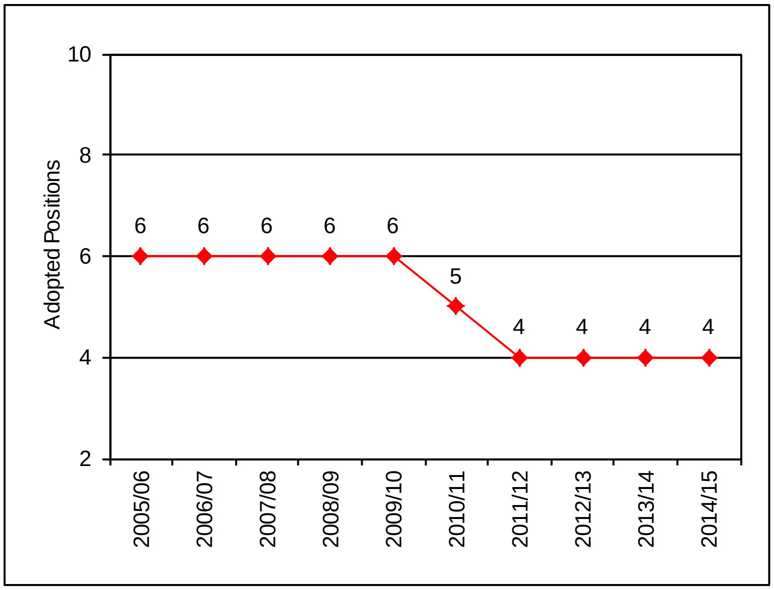
SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

A vacant limited term Veterans' Benefits Counselor will expire on June 30, 2014. This position was funded with additional one-time Subvention funding to expand services to local veterans as a result of the Governor's signing of AB 101 in 2013.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

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

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