

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Administrative Services**

TO: Honorable Board of Supervisors

FROM: Richard J. Burton, M.D., M.P.H.
Placer County Health Officer and Director of Health & Human Services
Bob Dunstan, Director of Human Services

DATE: June 27, 2006

SUBJECT: Approve and authorize the Chairman of the Board to sign the attached Budget Revision, in the amount of \$1,732,868 to maintain the provision of essential services such as adoptions, foster care, in home support services (IHSS) for fragile adults, health care and cash assistance for families with young children.

ACTION REQUESTED:

Approve and authorize the Chairman of the Board to sign the attached Budget Revision, necessary to maintain the provision of essential services such as adoptions, foster care, in home support services (IHSS) for fragile adults, health care and cash assistance for families with young children. The amount of this budget revision is \$1,732,868 to Client & Program Aid, Appropriation 53020 (\$957,868 financed by increased state and federal revenues; \$775,000 County General Funds reprioritized within HHS budgets)

BACKGROUND:

The Client & Program Aid Budget consists almost entirely of payments to clients and payments to vendors for necessary support and care as listed above. These costs are primarily driven by caseloads and the cost of services provided. The budget revision requested above is a standard year-end process that addresses our programmatic needs and balances our transfers to our department's Final Budget. These revisions are consistent with our HHS mission of keeping people safe, healthy, at home, at work or in school leading to self sufficiency and employability which benefits the economic vitality of our county. The changes to this appropriation are primarily due to increased activities in the five programs described below.

Adoption Assistance Program: This program monitors placement and supportive services to children and their adoptive families. The number of children benefiting from these services has increased from 334 to 381 annually.

Foster Care / Emergency Assistance: The purpose of this program is to provide a safe home or shelter to children who are either at-risk or are experiencing a family situation that jeopardizes their safety. While caseloads have been stable for the past couple of years at 340, the average monthly placement cost has risen from \$1,781 to \$1,960 over the past year. This is due to the severity of the cases and the resulting levels of placements required.

CalWORKs: This program provides temporary cash aid to meet the basic needs of low-income residents who are responsible for caring for a minor child due to the absence, death, disability, or unemployment of a parent. Over the past two years, average monthly caseloads have increased from 1,269 to 1,393. The continued success of this program has contributed to Placer County having one of the lowest unemployment rates in the state.

In-Home Supportive Services (IHSS): The purpose of this program is to assist older and disabled adults and children by providing domestic and personal care that allow them to safely remain in the home and community, thereby avoiding more costly residential care. The primary factor for the increase in costs is due to a labor agreement that increased salary and benefit costs. Currently this program serves 1,905 individuals.

Medically Indigent Adult: This program provides essential medical care to low-income residents who do not qualify for any other health coverage. Over the past two years, average monthly caseloads have increased from 880 to 946, which have resulted in an increase to purchased medical services.

FISCAL IMPACT:

Of the \$1,732,868 in additional costs, \$957,868 will be covered through additional federal and state revenues and \$775,000 from a combination of Realignment and County General Funds. As part of prudent fiscal management, HHS performs year-end projections of cost on a quarterly basis. HHS has closely monitored these increasing costs throughout the year; to insure that overall costs for the department as a whole fall within approved budgeted levels. Thus, HHS has identified funds within other HHS budgets to cover this increase. These identified funds are due to managed staff vacancies throughout the Department. With your approval of this budget revision, funds will be transferred from Community Clinics (42950), Children’s System of Care (42970), and Human Services (53070) to Client and Program Aid (53020).

The following details each of this program’s budget and projected increase.

HHS - Client & Program Aid Budget

Description	Budgeted	Projected	Difference
USES:			
Foster Care	7,004,700	7,418,205	(413,505)
CalWORKs	8,256,068	8,651,894	(395,826)
Medically Indigent Adult	3,983,718	4,374,968	(391,250)
IHSS	3,421,744	3,726,775	(305,031)
Adoptions	3,139,000	3,401,966	(262,966)
General Relief/Interim Assistance	520,000	690,004	(170,004)
Mental Health Patch Placement	1,280,000	1,360,000	(80,000)
Community Services Block Grant	173,556	159,609	13,947
Other	226,684	158,909	67,775
SED	963,121	759,129	203,992
Total	28,968,591	30,701,459	(1,732,868)
SOURCES:			
State/Federal Revenues			\$957,868
Community Clinic			\$175,000
Children’s System of Care			\$300,000
Human Services			\$300,000
Total			\$1,732,868

Overall HHS continues to manage department-wide spending within its total appropriation of General Funds. As of the third quarter, there is a projected savings of more than \$2,000,000. These increased caseloads and costs have already been included in the department’s FY 2006-07 Proposed Budget.

292