

**MEMORANDUM  
PLACER COUNTY HEALTH AND HUMAN 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  
**DATE:** May 22, 2007  
**SUBJECT:** 2006-07 Budget Revision for Health & Human Services

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**ACTION REQUESTED:**

1. Authorize the Chairman of the Board to sign the Health & Human Services budget revisions which total \$3,032,950 in revenues and \$3,032,950 in expenditures, and including \$500,000 expenditure offset of one-time funding from the Designation for Future Occurrences.
2. Approve the purchase of fixed asset equipment (culposcope) for medical procedures for the Community Clinics in the amount of \$9,000, and add it to the Master Fixed Asset List.
3. Approve a Housing Assistance (Fund 103, Appropriation 53010) budget revision reflecting cancellation of reserves and an increase in expenditures in the amount of \$20,000.

**BACKGROUND:**

Each year, Placer County completes its Final Budget prior to the State's distribution of final county-specific funding allocations. In previous years, HHS has requested a mid-year budget revision in November/December timeframe once all of the State/Federal funding allocations were received, and would also return to the Board with a budget revision at the end of the fiscal year to reallocate funding within its Divisions, if necessary. The budget revisions being presented to your Board today combines these two efforts. Originals of the budget revisions are on file with the Clerk of the Board's Office.

For the past five years, State revenues have remained relatively flat in spite of California counties' significant increases in the cost of service delivery. The State's failure to recognize and fund counties' increased costs continues to require that HHS redesign its programs, as well as reduce staff and other resources in order to manage programs within the funding available.

Health & Human Services 2006-07 budget totals \$138 million, of which \$22.9 million is the General Fund contribution. These revisions add \$3.5 million in expenditures, for a new total of \$141.5 million. This reflects a 2.6% increase (A-87 charges are almost 1% to the total), and includes state/federal revenue changes for 2006-07 that are part of the State's FY budget, adopted last September. In addition, the budget revisions include additional A-87 charges totaling \$1,130,080, which will allow recoupment of an additional \$132,214 in state/federal revenues for Administration charges through HHS' various claiming mechanisms. CEO has recommended these A-87 charges be included in order to bring this additional revenue to the Department.

**FISCAL IMPACT:**

These budget revisions can be characterized as technical budget adjustments, with the exception of the one-time General Fund contribution of \$500,000 to the Adult System of Care for the costs associated with the closure of Cypress House, which will not be factored in as an on-going General Fund contribution. Following are the highlights of those HHS appropriations that require a budget revision:

### ANIMAL SERVICES

This is a within-budget transfer of \$5,500 to working capital for the cost of upgrading three Animal Control trucks from two- to four-wheel drive. This is part of an on-going safety upgrade of all Animal Control trucks which are often involved in off-road field services. Also included in Animal Services is \$33,800 in A-87 charges.

### ADULT SYSTEM OF CARE (ASOC)

Early in 2006-07, during a redesign of its ASOC programs, HHS recommended the closure of its county-operated, transitional housing facility known as Cypress House. The affected clients required relocation during the redesign and transition to a similar facility operated by a private contractor selected through an RFP process. It was estimated at that time that a one-time increase in costs of \$500,000 would occur during this transition in order to obtain and relocate the affected clients. CEO concurred with HHS' plan and redesign recommendations. As a result, HHS is requesting a one-time General Fund increase in costs associated with this facility closure.

Increased expenditures for ASOC total \$977,779, which includes negotiated salary & benefit increases of \$480,000; an increase in housing assistance, mental health services; a one-time purchase of four sedans of \$270,000; and \$227,779 in A-87 charges. Funding for the four sedans (\$70,000) is 100% Mental Health Services Act (Proposition 63), and no General Funds are involved in this purchase.

These increases are funded by \$250,000 of unbudgeted, rollover Proposition 36 revenue, \$5,000 in A-87 revenue, a \$227,779 transfer from other appropriations, and the one-time transfer of \$500,000 from General Fund contingencies.

### CHILDREN'S SYSTEM OF CARE (CSOC)

Increased expenditures total \$969,465, which includes negotiated salary and benefit increases of \$500,000; implementation of wraparound services in Tahoe \$130,000; and \$339,465 in A-87 charges. This increase is funded by \$630,000 in the 2006-07 State Child Welfare Services allocation; \$303,978 transfer from other appropriations; and additional A-87 revenue of \$35,487.

### COMMUNITY CLINICS

A within-budget transfer of \$9,000 to fixed assets for the purchase of medical equipment at the Auburn medical clinic; and A-87 charges of \$69,069.

### CLIENT & PROGRAM AID

Increased expenditures total \$1,583,349, which includes \$241,096 in A-87 charges. These expenditures are offset by \$903,495 in additional revenues and \$91,727 in A-87 revenue; \$220,996 transfer from other appropriations; \$367,131 from a General Fund set aside for the purpose of funding the increased costs associated with the 2006-07 In-Home Supportive Services provider labor agreement. The increased expenditures in this appropriation are due to unanticipated caseload growth in numerous mandated, public assistance entitlement programs (primarily increased foster care placement, medically indigent adult, and General Relief caseload costs).

### ENVIRONMENTAL HEALTH

Increased expenditures total \$351,466, which include negotiated salary and benefit increases of \$289,745 and A-87 charges of \$61,721. These are offset by \$119,375 in revenues and \$232,091 transfer from other appropriations.

**Item #1 Budget Revision Summary:**

<b>Budget</b>	<b>Expenditure</b>	<b>Revenue</b>
Animal Services	33,800	
ASOC	977,779	255,000
CSOC	969,465	665,487
Clinics	69,069	
Client & Program Aid	1,583,348	995,222
Environmental Health	351,466	119,375
GF Set Aside	(367,131)	
Transfer from Other Div.	(84,846)	
A-87 Admin. Offset		997,866
Designation for Future Occurrences	(500,000)	
	3,032,950	3,032,950

**HOUSING ASSISTANCE BUDGET REVISION**

The Housing Assistance program provides housing vouchers to low-income individuals through the federally funded Section 8 Housing Choice Voucher Program. Fund 103, Housing Assistance, is a separate fund within the General Fund, and currently has a fund balance reserve of \$461,658. This budget revision transfers \$20,000 of this reserve to the operating budget to fund negotiated salary and benefit increases as well as FY 06-07 HHS Administration A-87 cost transfer. There is no impact to the General Fund.

