

**MEMORANDUM**  
OFFICE OF THE  
COUNTY EXECUTIVE  
COUNTY OF PLACER

**TO:** Honorable Board of Supervisors

**FROM:** Thomas M. Miller, County Executive Officer  
Submitted by Bekki Riggan, Principal Management Analyst

**DATE:** July 10, 2007

**SUBJECT:** Strategic Planning Session Follow-Up Relating to Health and Human Services and other Requested Items.

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**ACTION REQUESTED**

Receive information requested by your Board regarding: 1) Analysis of the \$4.1 million required to maintain current service levels in FY 2007-08 for the Health and Human Services Department, and 2) Other Requested Items.

**BACKGROUND**

During the March 2007 Strategic Planning Session your Board reviewed budget, policy and program considerations and provided guidance for the development of the County's 2007-08 Proposed Budget. At that time, CEO staff identified anticipated cost increases associated with maintaining current service levels within the Health and Human Services department for FY 2007-08 and were requested to return to your Board for a more detailed discussion.

Today's presentation will provide an analysis of the \$4.1 million required to maintain current service levels within the Health and Human Services department for FY 2007-08, and will provide the responses to other items requested by your Board as well.

**Health and Human Services**

Consistent with the County Executive Office Proposed Budget policies and guidelines, HHS submitted a budget identifying funding levels necessary to maintain current service levels in critical programs and operations in FY 2007-08. The initial \$6.6 million dollar cost-of-doing business funding gap was reduced to \$4.1 million through a General Fund augmentation of \$2.5 million. The primary cost drivers impacting the department's proposed budget include negotiated salary and benefit increases for approximately 800 filled positions, and increases in service provider contracts, leases and internal charges from other County departments. Attachment 1 outlines the key components of the resulting \$4.1 million shortfall.

Fiscal year 2007-08 marks the sixth consecutive year that the State has not funded these cost-of-doing-business increases for County programs. Prior Boards of Supervisors

have directed General Fund augmentations in order to partially off-set the impact of inadequate State and Federal funding. However, since FY 2001-02 HHS has had to absorb approximately \$5 million in additional unreimbursed costs each fiscal year. Any increased state or federal revenues - such as the Mental Health Services Act funding, and the Substance Abuse (SAMHSA) grant funding received in FY 2005-06 – have been specifically earmarked for implementation of new services and programs and cannot be used to fund current core services.

The County Executive Office worked with HHS to implement two significant changes to the County's cost accounting procedures that are anticipated to strengthen the department's ability to draw down additional revenues for existing programs. Information Technology costs of \$2.1 million previously budgeted in Administrative Services were redirected to Health and Human Services, and the methodology for charging out administrative costs (A-87) was revised to fully recognize these department costs. Full realization of these costs within the department better reflects the true costs of doing business and enables Health and Human Services to maximize reimbursement claims and draw down additional State and Federal funding.

The department is currently managing to the 2007-08 Proposed Budget approved funding and associated service levels, which does not include the \$4.1 million highlighted in this discussion. Drs. Burton and Gandley have worked with HHS Directors to identify vacancies that can be maintained, services that can be redesigned, or processes that can be streamlined with the least amount of impact to constituents in order to achieve the reductions, if necessary. Attachment 2 provides the results of these discussions and details by Division the targeted funding reduction, and the anticipated impacts on staffing, service contracts, operational activities, caseloads and service delivery should the \$4.1 million in additional General Fund augmentation not be available.

In addition, other requested items are provided in Attachment 3.

#### Fiscal Impact

This is an information item with no immediate fiscal impact.

**HEALTH AND HUMAN SERVICES**  
**\$4.1 Million Funding Shortfall**  
**FY 2007-08**

| <i>Budget Category</i>                                  | <i>Unfunded</i> |
|---|-----------------|
| <b>Salaries/Benefits</b>                                | <b>\$4.1M</b>   |
| - Negotiated Salary and Benefits                        |                 |
| <b>Services &amp; Supplies</b>                          | <b>\$2.5M</b>   |
| - Leases  |                 |
| - Service Provider Costs                                |                 |
| - Internal Service Charges From Other Departments       |                 |
| <b>Subtotal</b>   | <b>\$6.6M</b>   |
| <b>General Fund Augmentation (Proposed Budget)</b>      | <b>(\$2.5M)</b> |
| - To mitigate immediate staffing and program reductions |                 |
| <b>Total</b>  | <b>\$4.1M</b>   |

**COST DRIVERS**

- \$4.1 million Salary and Benefit costs associated with negotiated labor contract increases for approximately 800 filled positions.
- Net increase of \$2.5 million in Services & Supplies line items, which include increases in lease costs, service provider contracts, and internal service charges from other County departments.

**OFFSET BY**

- \$2.5 million General Fund augmentation, recommended in Proposed Budget to mitigate immediate staffing and programming reductions.

**HEALTH AND HUMAN SERVICES**  
**\$4.1 Million Unfunded**  
**FY 2007-08 Staff & Program Impacts**

| <i>Planned Service Reductions and Impacts<br/>by Division</i>   | <i>Shortfall</i>   |
|---|--------------------|
| <b>ADULT SYSTEM OF CARE</b>   | <b>\$837,286</b>   |
| STAFFING IMPACTS  |                    |
| - 9 Targeted vacancies (in addition to 13 existing vacancies)   |                    |
| OPERATIONAL IMPACTS   |                    |
| - \$98,455 unavailable for HIPPA related technology upgrades and replacements   |                    |
| SERVICE IMPACTS   |                    |
| - 500 persons with mental health illness will not receive specialty services  |                    |
| - Caseloads will remain at high level of 70 per worker  |                    |
| <b>CHILDREN'S SYSTEM OF CARE</b>  | <b>\$1,494,336</b> |
| STAFFING IMPACTS  |                    |
| - 21 Targeted vacancies (in addition to 19 existing vacancies)  |                    |
| OPERATIONAL IMPACTS   |                    |
| - \$211,596 unavailable for HIPPA related technology upgrades and replacements  |                    |
| SERVICE IMPACTS   |                    |
| - Child Welfare Caseloads will increase from 25 to 35 per worker  |                    |
| - Reduced Family Reunification Service visits   |                    |
| - CPS Worker Investigation Caseloads will increase from 17 to 22  |                    |
| <b>COMMUNITY CLINICS</b>  | <b>\$281,443</b>   |
| STAFFING IMPACTS  |                    |
| - 1 Targeted vacancy (in addition to 1 existing vacancy)  |                    |
| OPERATIONAL IMPACTS   |                    |
| - \$200,000 unavailable for technology upgrades and replacements affecting scheduling and billing for 24,500 patient visits   |                    |
| SERVICE IMPACTS   |                    |
| - Increased waiting time and decreased availability of medical providers  |                    |
| <b>COMMUNITY HEALTH</b>   | <b>\$385,115</b>   |
| STAFFING IMPACTS  |                    |
| - 3.5 Targeted vacancies (in addition to 13.5 existing vacancies)   |                    |
| SERVICE IMPACTS   |                    |
| - \$32,000 to be discontinued in community mini-grant funding resulting in 980 youth who will not receive academic, employment, substance abuse and health related services |                    |
| - 260 patients will not receive public health nursing services  |                    |

|  |                  |
|--|------------------|
| - 300 patients will not receive communicable disease follow up   |                  |
| - Vacant Epidemiologist position will result in lack of statistical health data  |                  |
| - Wait time for nursing services will increase from 2 to 3 months  |                  |
| <b>HUMAN SERVICES</b>  |                  |
| <b>STAFFING IMPACTS</b>  |                  |
| - 9 Targeted vacancies   |                  |
| <b>SERVICE IMPACTS</b>   |                  |
| - Caseloads will increase from a range of 30 to 300 to a range of 35 to 350  |                  |
| - Elimination of Medically Indigent Adult eligibility services in Roseville  |                  |
| - 150 Welfare to Work client services will be reduced or eliminated  |                  |
|  | <b>\$680,779</b> |
| <b>ENVIRONMENTAL HEALTH</b>  |                  |
| - Fund existing program and staff levels for FY 2007-08 pending potential cost offsetting fee increase in future years |                  |
|  | <b>\$370,429</b> |
| <b>DOMESTIC ANIMAL CONTROL *</b>   |                  |
| - Funding enhancement for part-time Volunteer Coordinator position   |                  |
| * This enhancement to programming is the only requested augmentation for services in FY 2007-08.                       |                  |
|  | <b>\$23,871</b>  |
|  |                  |
| <b>Total</b>   | <b>\$4.1M</b>    |

Attachment 3.

Public Safety

To provide your Board with meaningful comparisons among these diverse departments, staff analyzed the costs across the staff classifications of upper management, professional and clerical series. The comparisons below were calculated by dividing total costs by the total number of staff within each of these classifications based on FY 2007-08 Proposed Budget figures.

| <i>Public Safety Average Salaries &amp; Employee Benefits</i>  |                 |                    |                         |                      |
|--|-----------------|--------------------|-------------------------|----------------------|
| <i>Sheriff</i>   |                 |                    |                         |                      |
|  | <i>Salary *</i> | <i>Benefits **</i> | <i>Special Pays ***</i> | <i>Average Total</i> |
| Clerical   | \$41,238        | \$28,063           | \$2,855                 | \$72,156             |
| Professional   | \$58,935        | \$46,744           | \$10,562                | \$116,241            |
| Upper Management   | \$129,800       | \$105,728          | \$25,861                | \$261,389            |
| <i>District Attorney</i>   |                 |                    |                         |                      |
|  | <i>Salary *</i> | <i>Benefits **</i> | <i>Special Pays ***</i> | <i>Average Total</i> |
| Clerical   | \$40,268        | \$24,856           | \$306                   | \$65,430             |
| Professional   | \$88,988        | \$47,090           | \$3,515                 | \$139,593            |
| Upper Management   | \$149,552       | \$81,975           | \$9,458                 | \$240,985            |
| <i>Probation</i>   |                 |                    |                         |                      |
|  | <i>Salary *</i> | <i>Benefits **</i> | <i>Special Pays ***</i> | <i>Average Total</i> |
| Clerical   | \$37,581        | \$22,103           | \$405                   | \$60,089             |
| Professional   | \$53,078        | \$34,262           | \$304                   | \$87,644             |
| Upper Management   | \$100,035       | \$71,029           | \$0                     | \$171,064            |
| <b>NOTES:</b>  |                 |                    |                         |                      |
| * Salary Averages calculated using actual CEO Recommended FY 2007-08 Proposed Budget totals for each department  |                 |                    |                         |                      |
| ** Benefits Averages include: PERS, FICA, OPEB, Employee Group Insurance, Workers Compensation, Management Leave, and Vacation Cash Outs                 |                 |                    |                         |                      |
| *** Special Pay Averages include: Tahoe Subsidy, Uniform Allowances, POST/Wellness, Education, Shift Differential, Jail Incentive and other Special Pays |                 |                    |                         |                      |

In addition to comparing average costs, staff also compared specific costs for a five-year journey level staff member at step 5 working in the core profession(s) of each department.

|  | <b>Comprehensive Cost Analysis</b> |                 |                     |              |
|--|------------------------------------|-----------------|---------------------|--------------|
|  | <i>Salary</i>                      | <i>Benefits</i> | <i>Special Pays</i> | <i>Total</i> |
| Deputy Sheriff   | \$59,364                           | \$49,569        | \$13,416            | \$122,349    |
| Correctional Officer   | \$52,397                           | \$40,870        | \$3,877             | \$97,144     |
| Deputy Probation Officer   | \$50,889                           | \$33,892        | \$254               | \$85,035     |
| Deputy District Attorney   | \$91,567                           | \$50,087        | \$1,007             | \$142,661    |
| <i>Above salaries reflect current Placer County Pay Tables for Public Safety Core positions at "Step 5".<br/>           Benefits and Special Pays are calculated using actual FY 2007-08 percentages of those base salaries.</i> |                                    |                 |                     |              |

