Health and Social Services

Administration
- Budget & Financial Management
- Research & Planning
- Compliance
- Contract Management
- Community Services Coordination

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 residents of Solano County. The Department administers Health, Mental Health, and Social Service programs that counties are mandated to provide under State and federal law.

Budget Summary:	
FY2015/16 Third Quarter Projection:	300,693,135
FY2016/17 Recommended:	334,028,830
County General Fund Contribution:	25,345,194
Percent County General Fund Supported:	7.6%
Total Employees (FTEs):	1,296.55

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 executive management and direction, budget and fiscal management, research planning, compliance activities, contract management, payroll, recruitment, and departmental training.

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

- Employment and Eligibility Services (E&E) promotes self-sufficiency by assisting low-income families and individuals with obtaining employment, access to health care, food and cash assistance.
- Welfare Administration (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.

- Child Welfare Services (CWS) intervenes on behalf of children who need protection from abuse and neglect. The ultimate goal of CWS is to preserve the family unit for the child, 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.
- Older and Disabled Adult Services (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 Medi-Cal, 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' estate, as needed.

Behavioral Health Services (BU 7780) includes Mental Health, Mental Health Managed Care, and Substance Abuse Programs. The Division provides treatment, case management, rehabilitation and community support services to seriously emotionally disturbed children and mentally ill adults. The programs include emergency psychiatric services and involuntary hospitalizations. The Mental Health Services Act (Proposition 63) provides a large portion of the 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 Medical Services. 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, and 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 to underserved populations in areas of the County. The Medical Services budget provides funds for the County's medically indigent adult services through participation in the County Medical Services Program (CMSP), federal and State funds and Medi-Cal reimbursements.

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 Placement, In-Home Support Services (IHSS) County match contribution, General Assistance (GA), and County Only Foster Care placement. H&SS also administers the CalFresh (Food Stamps) program eligibility; however, CalFresh benefits are issued directly to the recipient via the State thus these costs are not included in the County budget.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2014/15 ACTUALS	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
ADMINISTRATION DIVISION	1,154,348	2,757,405	2,271,587	(485,818)	(17.6%)
BEHAVIORAL HEALTH DIVISION	59,142,700	72,191,790	74,495,370	2,303,580	3.2%
SOCIAL SERVICES DIVISION	80,613,173	100,223,813	103,982,940	3,759,127	3.8%
IHSS - PA ADMINISTRATION	703,722	4,601,833	4,818,986	217,153	4.7%
PUBLIC ASSISTANCE PROGRAMS	52,511,476	49,451,264	53,127,431	3,676,167	7.4%
HEALTH SERVICES DIVISION	47,696,441	71,145,201	66,424,760	(4,720,441)	(6.6%)
GENERAL FUND CONTRIBUTION	20,681,449	24,231,022	25,345,194	1,114,172	4.6%
TOTAL REVENUES	**262,503,309**	**324,602,328**	**330,466,268**	**5,863,940**	**1.8%**
APPROPRIATIONS					
ADMINISTRATION DIVISION	3,530,253	5,055,345	4,569,527	(485,818)	(9.6%)
BEHAVIORAL HEALTH DIVISION	66,552,973	82,939,257	83,229,169	289,912	0.3%
SOCIAL SERVICES DIVISION	86,299,104	103,503,087	109,326,436	5,823,349	5.6%
IHSS - PA ADMINISTRATION	704,046	9,091,544	9,579,565	488,021	5.4%
PUBLIC ASSISTANCE PROGRAMS	61,279,817	53,541,026	57,357,038	3,816,012	7.1%
HEALTH SERVICES DIVISION	49,783,185	70,371,992	69,967,095	(404,897)	(0.6%)
TOTAL APPROPRIATIONS	**268,149,378**	**324,502,251**	**334,028,830**	**9,526,579**	**2.9%**
NET CHANGE	**5,646,069**	**(100,077)**	**3,562,562**	**3,662,639**	**(3659.8%)**

STAFFING					
ADMINISTRATION DIVISION	83.50	91.00	94.00	3.00	3.3%
BEHAVIORAL HEALTH DIVISION	182.00	212.70	203.20	(9.50)	(4.5%)
SOCIAL SERVICES DIVISION	640.65	670.75	678.75	8.00	1.2%
IHSS - PA ADMINISTRATION	5.00	6.00	7.00	1.00	16.7%
PUBLIC ASSISTANCE PROGRAMS	0.00	0.00	0.00	0.00	0.0%
HEALTH SERVICES DIVISION	307.70	293.45	313.60	20.15	6.9%
TOTAL STAFFING	**1,218.85**	**1,273.90**	**1,296.55**	**22.65**	**1.8%**

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of $5,863,940 or 1.8% in revenues, which includes County General Fund Contribution, and $9,526,579 or 2.9% in appropriations when compared to the FY2015/16 Adopted Budget. The net cost of $3,562,562 is funded by a reduction in the Intergovernmental Transfer (IGT) Restricted Fund Balance in H&SS Fund 902.

The General Fund Contribution of $25,345,194 increased by $1,114,172 or 4.6% due to increases of $703,459 to Social Services, $259,552 to IHSS-Public Authority and $151,162 to the Assistance Programs.

Primary Funding Sources

The primary funding sources for H&SS are federal and State Program revenues of approximately $172.6 million (52% of total); 1991 State – Local Realignment - $48.5 million; 2011 Public Safety Realignment - $31.5 million; and in Charges for Services estimated at $28.1 million. The County General Fund contribution of $25,345,194 represents 7.6% of H&SS funding and includes the required local (County) maintenance of effort (MOE) for several State and Federal program areas.

Program Revenue

Program revenues are earned primarily by two methods; first, through reimbursement for actual costs from State and federal governments, based upon time studies in which staff document hours worked in each program/activity, cost reports, or other methods of documenting actual program costs. Second, is fee for service revenue, as a result of billing various third party payers, primarily Medi-Cal, on either a unit- of-service basis, a capitated payment, or a per-visit 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 Countywide Administrative Overhead (A-87) charges that are incorporated into the Department's federal/State claims for cost reimbursement, and are used in calculating H&SS billing 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 specific service as well as departmental administrative costs and direct charges from other County departments providing support services to H&SS. In FY2016/17, direct charges from other County departments plus Countywide Administrative Overhead total $20.5 million, of which 93% or approximately $19 million, in federal and State funds are used to offset the County General Fund costs for various County central service departments.

The State Budget Act of 2011 included a major realignment of public safety programs from the State to local governments. The majority of human services programs receiving State General Fund allocations were realigned to counties. The 2011 Realignment Act shifted the funding and program responsibility for Adoption Services, Foster Care, Child Welfare Services, Adult Protective Services, Substance Abuse, EPSDT and Managed Care from the State to local government (County) and redirected specified tax revenues to fund this effort. The State share of funding for realigned programs has been replaced by funding based on a percentage of realignment funds collected. However, the County still receives State allocations for a few programs that are matched 50% by federal funds, which includes the administration of the CalFresh, Medi-Cal, and CalWORKs programs. Federal revenues are often matching funds for programs where the State and local governments share of costs; however, the federal portions are 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, and the cost for each position and overhead and other costs associated with each filled position; productivity; and interim, estimated or approved reimbursement rates.

1991 Realignment (State)

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 substantially declined from $46.2 million in FY2006/07 to $34 million in FY2009/10. However, since FY2011/12 these revenues have been slowly trending upward and for FY2016/17 the Recommended Budget includes $48.5 million in 1991 Realignment funds.

1991 Realignment funds are allocated to three main areas:

- Health Services – a portion of the Health Realignment funding (approximately $6.8 million) previously set aside for the County Medi-Cal 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) programs. 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 Medi-Cal 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 1991 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 implementation of the Affordable Care Act, the State anticipates that County costs and responsibilities for healthcare services for the indigent population will decrease because a majority of this population, previously uninsured, will be eligible for Medi-Cal or Covered California in the funding stream. The enactment of AB 85, effective January 1, 2014, provided the mechanism for redirecting the realignment funds.

AB 85 also changed the growth distribution within the three main areas of 1991 Realignment. Social Services receives first call on growth (caseload) but no longer receives general growth. Health Services receives significantly less from general growth, from approximately 52% to 18.45%, while Mental Health remains the same at approximately 40%.

2011 Realignment (State)

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 $31.5 million in 2011 Realignment funds for FY2016/17. These funds are dedicated to Child Welfare Services, Foster Care, Mental Health, and Substance Abuse programs. The State's 2011 Realignment legislation completed the transfer of responsibility for all financing of 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 using the Realignment revenue.

Both realignment funding streams (1991 and 2011) are heavily dependent upon economic conditions since the source is sales tax and VLF. 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 is in the process of being implemented by the State, including the recent enactment of AB 85. Uncertainties regarding specific funding levels and financing mechanisms are likely to continue for several years.

County General Fund

The FY2016/17 Recommended Budget includes a County General Fund contribution in the amount of $25,345,194, an increase of $1,114,172 when compared to the FY2015/16 Adopted Budget. The growth is comprised of the following:

- $703,459 increase in Social Services primarily to fund the IHSS MOE increase and cost increases for programs purely funded by the County, including General Assistance and the Public Guardian/Conservator/Administrator.
- $259,552 increase in IHSS-Public Authority primarily due to mandated 3.5% increase in IHSS MOE for provider wages and benefits.
- $151,161 increase in Assistance Programs due to increases in Adoptions Assistance, Foster Care, Kin-GAP, County Only Foster Care Assistance, General Assistance and WINS/SUAS; and offset by decreases in CalWORKs and Approved Relative Caregiver.

The County General Fund Contribution of $25,345,194 is appropriated with $4,229,607 funding the Assistance Programs, and $21,115,587 funding the following operations in H&SS:

- $8,321,906 for required Maintenance of Effort for Public Health, California Children's Services, Mental Health, CalWORKs Administration, and IHSS MOE.
- $809,548 for the required CMSP participation fee.
- $239,413 in mandatory match payments for federal/State programs for Child Welfare Services and CalWIN.
- $5,704,565 for mandated adult psychiatric inpatient services.
- $2,698,687 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.
- $2,161,134 for principal payments related to debt service and other countywide administrative costs that are non-claimable.
- $1,180,334 to support homeless outreach and community services efforts, Medi-Cal Administrative Activities, and Nurse Family Partnership.

Primary Operational Expenditures

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

- Administration (BU 7501) includes $4,569,527 in appropriations which recovers most costs through administrative overhead intrafund transfers.
- Social Services (BU 7680) $109,326,436 in appropriations which includes Employment and Eligibility Services and CARES serving Children and Adults.
- IHSS Public Authority (BU 7690) $9,579,565 in appropriations which is a function of Social Services.
- Behavioral Health (BU 7780) $83,229,169 in appropriations which includes Mental Health and Substance Abuse.
- Health Services (BU 7880) $69,967,095 in appropriations which includes Public Health and Family Health Services.
- Assistance Programs (BU 7900) $57,357,038 in appropriations which includes California Work Opportunity and Responsibility to Kids (CalWORKs), Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Assistance, WINS/SUAS, and General Assistance (GA).

Other Administered Budgets not part of Fund 902 includes $4,743,973 for the IHSS Public Authority (Fund 152 - BU 1520), $232,829 appropriation for Tobacco Prevention and Education (Fund 390 - BU 7950) and a transfer out of $18,802,643 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.

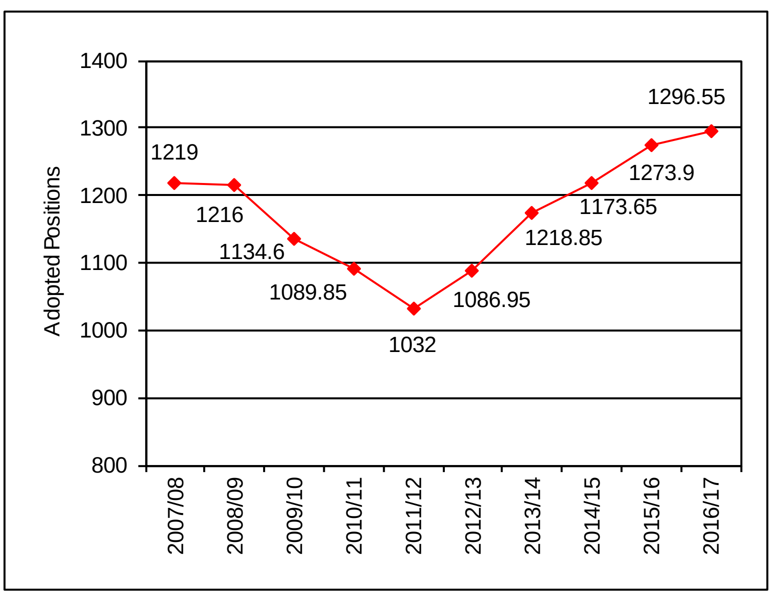
DEPARTMENT COMMENTS

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 Administration Division provides day-to-day management and direction of support functions needed for the Health and Social Services Department (H&SS) to promote self-reliance and safeguard the physical, emotional and social well-being of Solano County residents.

FUNCTION AND RESPONSIBILITIES

The Administration Division provides executive leadership and direction for the six divisions in various program areas. The Administration Division includes Budget and Financial Management, Administrative Support Bureau, Employee Services and Training, Research and Planning Unit, Community Services and Coordination, Compliance Unit, and Contracts Management.

Budget and Financial Management

Budget and Financial Management is responsible for Financial Services functions including budgeting, accounting, revenue recovery, and financial oversight.

Administrative Support Bureau

Administrative Support Bureau is responsible for department-wide purchasing and inventory management, records management, courier services, office space planning and logistics and coordination of facilities maintenance and general operations.

Employee Services and Training

Employee Services and Training oversees H&SS employee hiring and payroll operations, and coordinates department-wide County mandated training for H&SS employees.

Research and Planning Unit

The Research and Planning Unit is responsible for researching and planning evidence-based practices, program outcome measures and benchmarks, special projects, and restructuring service delivery components into a unified system of care and identifying trends in populations that require services. Additional functions include analyzing legislation and assisting to identify approaches to prepare for future mandates.

Community Services and Coordination

Community Services and Coordination is responsible for leading projects and establishing partnerships with other departments, agencies, cities, and community organizations to improve the delivery of services within the community, promote rapid rehousing and sustainable housing and facilitate collaboration with employment services and other rehabilitative opportunities for residents suffering from poverty or homelessness. Additional functions include assisting in the development of grant applications, researching and developing housing focused initiatives that can be linked to departmental operations and programs.

Compliance Unit

The Compliance Unit is responsible for department-wide regulatory compliance and quality assurance including developing and implementing policies, procedures, and practices defined by regulatory agencies for H&SS programs. Additionally, the Compliance Unit identifies and analyzes potential risks, oversees internal and external compliance audits, coordinates compliance training and education, conducts internal and periodic risk evaluations for each division, investigates and resolves privacy and security incidents, and functions as H&SS civil rights coordinator.

Contracts Management

Contract Management is responsible for the administration and monitoring of more than 482 contracts and service agreements with a value of approximately $160 million.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Budget and Financial Management coordinated the annual Single Audit for H&SS programs. The single audit is a rigorous audit of an entity that expends $750,000 or more of federal funds. H&SS manages approximately $79 million in federal expenditures. The FY2014/15 Single Audit, conducted and issued in December 2015, did not disclose any findings or questioned costs.

- Administrative Support Bureau managed a large effort to transition wireless service providers that ensured staff had sufficient access to navigation features therefore increasing employee safety and response time. A total of 225 devices were successfully deployed and was well received by both staff and clients, facilitating communication via voice and texting.
- Contracts Management and the Compliance Unit have partnered to evaluate current processes and systems to build a contract management process to best fit the needs of the department and are analyzing the lifespan of a contract, from Request for Proposal to expiration. This not only ensures federally mandated clauses are included in each contract but aides in the decision making process for contract renewals.
- Contracts Management is continuing to increase automation and improve workflow efficiencies to allow for the use of electronic signatures and electronic contracts where appropriate and implementing the Record Information Management policy in identifying what records can be cleared and stored off-site therefore maximizing available on-site space in County facilities.
- Office space remains an administrative and operational concern. New web-based software, facilitated through Geographic Information Systems, was developed and provides a comprehensive view of occupation status depicting architectural floor layouts, a built-in reporting feature and integrated dashboard. Additionally, H&SS is progressively moving towards implementing hoteling, a workplace strategy that allows the department to evolve beyond the 1:1 worker-to-workspace ratio. By fall 2016, designated hoteling space will be situated in major H&SS geographical areas which aim to improve service delivery to clients, increase employee relations and reduce overhead costs associated with acquiring and maintaining office space. Technology requirements are also being researched and tested to ensure staff are equipped with compatible hardware and software to work in a mobile, wireless fashion.
- Effective December 2015, a departmental-wide Balance Scorecard and exception analysis was developed outlining key performance indicators for each division and based on four main perspectives: Customer, Financial, Internal Process, and Learning & Growth. These key performance indicators provide a critical understanding of the department's strategic objectives and framework for the strategy. Outcome measures will be compiled and assessed periodically to monitor progress.
- Work continues to create and implement Coordinated Entry, a countywide intake process that will allow jurisdictions and agencies to measure and improve upon system performance measures and baseline responses to housing and services in addition to allowing the community to strategically prioritize resources.
- A significant challenge stems from the rising cost of Bay Area housing and California's statewide housing shortage. Several initiatives have been pursued focused on increasing affordable housing opportunities, enhancing services which can support the ability for individuals and families to remain housed, and creating networks of care that can continuously ensure successful housing options and services remain available for County clients. A current initiative is *Aging in Place*, where efforts are being made to increase housing and service opportunities for the County's aging population enabling them to stay in their current housing when feasible.
- Effective July 2015, the function of Community Services Coordination was created and there have been significant strides in coordinating community efforts and linkages to address the County's vulnerable homeless population. Partnerships have been established with the Solano County libraries, District Attorney's Office, law enforcement, and Solano County Office of Education. Additionally, leadership and engagement is further provided through active participation with the Housing First Solano Continuum of Care, cities, and non-profit partners. The collaboration has built upon a common goal and has effectively sustained communication between the County and various stakeholders.
- Community Services Coordination successfully pursued the administrative entry for Emergency Solutions Grant funds, thereby guaranteeing Solano County would receive over $280,000 for a Rapid Rehousing Program over the next two years.
- Over the course of the fiscal year, the Compliance Unit conducted extensive external and internal risk identifications and assessments which are comprised of 102 questions and categorized into seven areas: Organizational Governance, Planning Management, Financial Management, Personnel Management, Public Relations, Fundraising, and Civil Rights Compliance.

- Administration began holding quarterly Community Partners meetings to address concerns regarding risk assessments and compliance with State and Federal requirements. To date, attendees have numbered from 40-60, and presentations have addressed new legislation and mandates, compliance problem areas, contractual concerns, and an open forum to address general concerns.
- Effective October 1, 2015, the Federal ICD-10 was implemented, which updated the Health Information Portability and Accountability Act (HIPAA) standards for transactions and data code sets. The implementation of ICD-10 was an enormous undertaking and the Compliance Unit developed an implementation strategy to include an assessment of the departmental impact, a detailed timeline and budget, and coordinated with billing services, clearinghouses, and/or practice management software vendors, and worked with a consultant to assist in the coordination between medical records, clinical, technology, and finance staff in order to update processes, documents, forms and reports.
- Ongoing work is being performed by the Compliance Unit to streamline the on-boarding of medical staffing activities and analyzing the various components to include criminal background checks, educational verification and license verification into one efficient process, and ensuring those tasks governed by statute and regulation are in compliance.

WORKLOAD INDICATORS

Budget and Financial Management managed approximately $451 million in funds: $325 million budget including Assistance, In-Home Supportive Services Program for provider wages, benefits and Public Authority Administration, $76 million in client benefits paid by the State, $11 million in client assets and $39 million in other funds (including restricted trust funds).

Accounts Payable Unit processed approximately 11,876 vendor claims at an average turnaround time of 1.1 days from date of receipt.

The Administrative Support Bureau facilitated over 1,000 purchase transactions with a total expenditure of approximately $4 million across the department.

DIVISION BUDGET SUMMARY

The Recommended Budget represents a decrease of $485,818 or 9.6% in revenues and $485,818 or 9.6% in appropriations when compared to the FY2015/16 Adopted Budget with no additional increase in the 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 Medi-Cal Administrative Activities on behalf of 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 the Administration Division are: $10,525,902 for Salaries and Employee Benefits; $4,785,022 for Services and Supplies which include Medi-Cal Administration Activities (MAA) pass through costs; $2,271,382 for Other Charges which include A-87 charges, contributions to non-county agencies, and contracted direct services for Housing and Urban Development (HUD) grants directly administered by H&SS; $1,771,378 for Other Financing Uses which include debt service costs; and offsetting Intrafund Transfers of $14,784,157 which represents the projected share of reimbursable administration costs charged department-wide to all H&SS programs.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	103,687	106,204	108,612	2,408	2.3%
INTERGOVERNMENTAL REV STATE	0	24,807	0	(24,807)	(100.0%)
INTERGOVERNMENTAL REV FEDERAL	84,181	1,656,759	1,513,000	(143,759)	(8.7%)
CHARGES FOR SERVICES	6,147	269,260	50,000	(219,260)	(81.4%)
MISC REVENUE	260,358	400	0	(400)	(100.0%)
OTHER FINANCING SOURCES	699,975	699,975	599,975	(100,000)	(14.3%)
GENERAL FUND CONTRIBUTION	2,297,940	2,297,940	2,297,940	0	0.0%
TOTAL REVENUES	**3,452,288**	**5,055,345**	**4,569,527**	**(485,818)**	**(9.6%)**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	7,886,597	9,915,446	10,525,902	610,456	6.2%
SERVICES AND SUPPLIES	2,829,164	4,537,595	4,785,022	247,427	5.5%
OTHER CHARGES	1,662,814	2,035,892	2,271,382	235,490	11.6%
F/A EQUIPMENT	33,193	9,000	0	(9,000)	(100.0%)
OTHER FINANCING USES	2,218,341	1,623,515	1,771,378	147,863	9.1%
INTRA-FUND TRANSFERS	(11,099,856)	(13,066,103)	(14,784,157)	(1,718,054)	13.1%
TOTAL APPROPRIATIONS	**3,530,253**	**5,055,345**	**4,569,527**	**(485,818)**	**(9.6%)**
NET CHANGE	**77,965**	**0**	**0**	**0**	**0.0%**

STAFFING					
ADMINISTRATION DIVISION	83.5	91.0	94.0	3.0	3.3%
TOTAL STAFFING	**83.5**	**91.0**	**94.0**	**3.0**	**3.3%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2016/17 Recommended Budget projects a net decrease of $485,818 in revenues and $485,818 in appropriations.

The net decrease of $485,818 in revenues is primarily due to the following:

- Decrease of $168,566 in Intergovernmental Revenues primarily due to a decrease in MAA (Medi-Cal Administrative Activities) pass through revenues of $118,951 as a result of the continuing phase out of the Solano County SMAA (School based MAA) contract with the SMAA sub-recipients. SMAA sub-recipients began claiming SMAA through the Local Educational Consortium (LEC) Service Region IV. The remaining decrease of $49,615 in Other State and Federal revenue is due to the reclassification of claimable costs from the Intergovernmental Revenues category to the Intrafund Transfers category.
- Decrease of $219,260 in Charges for Services is primarily the result of decreases of $190,933 resulting from an A87 roll-forward adjustment that occurred in FY2015/16 and $28,327 in MAA administration fee.

The net decrease of $485,818 in appropriations is primarily due to the following:

- Increase of $610,456 in Salaries and Benefits primarily due to wage and employee benefit increases and the addition of 2.0 FTE positions within administration.
- Increase of $247,427 in Services and Supplies primarily due to increases of $318,500 in maintenance - building and improvements to facilitate efficient use of workspace and implementation of designated hoteling sites in H&SS campuses, $53,690 in contracted services for the HomeBase contract to assist in homeless coordination projects, $93,450 in software maintenance and support to upgrade contracts processing to a paperless environment, $159,041 in central data processing costs, offset by decreases in various line items such as liability insurance, consulting and other professional services.
- Increase of $235,490 in Other Charges primarily due to increases of $128,091 for interfund services provided by the Auditor's Office and General Services, and $218,656 in A-87 charges; and offset by decrease of $100,000 in contributions to non-county agencies.

- Increase of $147,863 in Other Financing Uses primarily due to an increase of $168,047 in debt service costs and offset by a decrease of $20,184 in POBs.
- Increase of $1,718,054 in offsetting Intrafund Transfers primarily due to net increases in net claimable salaries and benefits, 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 Division's position allocations since the adoption of the FY2015/16 Budget are provided below:

- The following reclassifications were made based on Human Resources assessment and determination:
  - Reclassification of 1.0 FTE Patient Account Manager (TBD) to 1.0 FTE Policy & Financial Analyst
  - Reclassification of 1.0 FTE Research Analyst (TBD) to 1.0 FTE H&SS Planning Analyst
  - Reclassification of 1.0 FTE Accountant (Senior) (TBD) to 1.0 FTE Accountant
- Transfer of 1.0 FTE Community Services Coordinator to Administration Division from the Behavioral Health Division
- Reclassification of 1.0 FTE Accounting Clerk III to 1.0 FTE Accounting Clerk II as part of Third Quarter Report.

The FY2016/17 Recommended Budget includes the following:

- Add 1.0 FTE Office Assistant II to provide clerical and administrative support to Executive Administration, Compliance, Research and Planning, and Fiscal Administration.
- Add 1.0 FTE Staff Analyst (TBD) to provide staff support to Employee Services and Hiring.

PENDING ISSUES AND POLICY CONSIDERATIONS

In FY2015/16 the pending issues and policy considerations include:

California is the leader in implementing the Federal Affordable Care Act, operating the nation's largest Medicaid program, and seeks to partner with the Centers for Medicare and Medicaid Services to ensure continuous strides toward expanding access to health care, improving quality of outcomes, and controlling the cost of care. The focus of the State of California Medi-Cal 2020 1115 Waiver Renewal submitted in FY2014/15 to the federal government is to build on a County coordinated model and shared accountability approaches for managed care plans. It included the requirement to work with County Mental Health plans to support Medi-Cal members with identified mental health issues; and provide an integrated model to encourage physical health and mental health plans to implement an integrated care model at the provider level for patients with serious mental health and other chronic health conditions over the next 5 years.

The Federal Office of Management and Budget (OMB) Super Circular stipulates new rules governing expenditures, administration, and audit of federal grants and funds, which became effective on December 26, 2014. The Super Circular requirements apply to federal agencies that make federal awards to non-federal entities, non-federal entities that receive federal grant funds including direct recipient of funds or a sub-recipient receiving federal funds through a sub-recipient award.

The significant changes in requirements include a focus on performance over compliance for accountability, efficient use of information technology and shared services, providing consistent and transparent treatment of costs, limiting allowable costs to make best use of federal resources, strengthening oversight; targeting audit requirements on risk of waste, fraud, payment errors, and abuse. H&SS annual federal awards and expenditures total approximately $70 million and these changes in procedures significantly impact the department, including the program and fiscal oversight of sub-recipients.

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 Code sections 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:

- 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 recovery and safeguard the physical, emotional, mental and social well-being of Solano residents who are placed in board and care homes and other types of community housing with assistive case management to optimize the level of independence.
- Services to realigned State parolees, now the responsibility of counties under Assembly Bill (AB) 109.
- Services to youth and families involved with the Child Welfare system under the Katie A. mandate.
- Full Service Partnership services to youth and families requiring a higher level of care.
- Outpatient clinic and community based services for youth and families.
- Contracted services that are both community based and outpatient setting: 0-5 program, outpatient clinic, Women's Reentry Achievement Program (WRAP) and Therapeutic Behavioral Services (TBS).
- 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, among others.
- Mental Health Services Act (MHSA) services in the areas of prevention and early intervention, comprehensive support and services, information technology and capital housing projects.

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

- Assessment of clients' alcohol and drug abuse treatment needs and authorization of appropriate services for delivery by 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.
- Driving under the Influence (DUI) programs.
- Federally mandated HIV and AIDS testing and education in coordination with Public Health.
- Substance Abuse Programs to serve realigned State parolees, now the responsibility of counties under AB 109.

- Federally mandated Primary Prevention Services to delay the onset of youth alcohol and other drug use, in coordination with Public Health.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

<u>Solano County Mental Health:</u>

- 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.
- Reabsorbed Psychiatric Medication Clinics (Integrated Care Clinics) into the Behavioral Health Division from the Public Health Division pursuant to federal guidance while maintaining continuity of care for clients in care.
- Executed year two of a Three-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 is now being allocated to these and other programs as a result of the community planning process with noticeable benefits to the community.
- Continued operation and final year of funding for programs funded through Intergovernmental Transfer (IGT) including: a mental health probation team to provide aftercare to individuals released from jail, Katie A. Settlement staffing, increased bilingual access and outreach, and a jail liaison to actively coordinate discharges from jail and facilitate entry into the mental health system.
- Reorganization of some components of children's mental health services is under way to better prepare for the expected increased demand for community based services associated with Continuum of Care Reform (AB 403) and the expansion of the Katie A. Settlement's 'Core Practice Model' to the Medi-Cal eligible who demonstrate medical necessity for that level of care.

<u>Solano County Substance Abuse:</u>

- The program continues to expand provider services to meet the demands of the newly eligible Medi-Cal expansion population (up to 138% of Federal Poverty Level).
- The Division has been engaged in extensive analysis to determine if it may 'opt-in' to an organized delivery system of care for Substance Use Services. Due to uncertain fiscal implications, dependent on new rate setting and an enhanced array of services per individual client, the Department is carefully evaluating the County benefit and risk of undertaking this ambitious reform of the substance use disorder system.
- The Division took over operation and direction of the Women's Reentry Achievement Program (WRAP), a federally grant funded program that has garnered significant accolades and ended April 2016. The program has transferred to the Sheriff's Office (see BU 6550).
- Substance Abuse staff dedicated nearly a year cooperatively working with the H&SS Compliance Unit and Administration to respond to an extensive audit and audit findings, and continue to improve the quality of County substance abuse programs. Significant inroads were made to satisfy the State's requirements and better position Solano County for the contemplated organized delivery system of care under consideration.
- Staff partnered with judges to expand the Adult Drug Court to Vallejo based on Solano County Court's successful application.

WORKLOAD INDICATORS

During the period of the 2015 calendar year:

- Solano County Behavioral Health provided mental health services to approximately 7,547 seriously mentally ill adults and seriously emotionally disturbed children for a total of 135,231 appointments. The services were provided through County Programs, Contract Programs and the Managed Care Provider Network.
- Solano County provided case management services to 14,326 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 numbered 611 for a total of 7,488 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).

Substance abuse clients are waiting an average of 31 days for a residential placement; that is down from 51 days last year. Clients do not have to wait for outpatient treatment at this time.

DIVISION BUDGET SUMMARY

The Recommended Budget represents an increase in revenues of $2,303,580 or 2.9% but requires a draw from Intergovernmental Transfers (IGT) restricted fund balance of $2,280,125 to support an overall increase of $289,912 or 0.3% in appropriations when compared to the FY2015/16 Adopted Budget. The General Fund Contribution remains at $6,453,674.

Primary Funding Sources

The primary funding sources for Behavioral Health are federal, State, and Realignment revenues. In 2011, the State General Funds for children's mental health services, substance abuse treatment services, drug court activities, and substance abuse Drug Medi-Cal (DMC) were realigned to the local level. This realignment, coupled with the 1991 realignment, makes realignment funding for behavioral health services the principal funding source for core services and the primary non-federal match for Medi-Cal. 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; however, funding is subject to fluctuations in State sales tax. Concerns remain that the growth in sales tax revenues are not keeping pace with program growth. Additionally, the State has not set a permanent base or distribution methodology for 2011 Realignment. Without a permanent base and growth distribution among counties, 2011 Realignment projections are difficult and the reality of how much funding Solano County will actually receive is in question.

State funding from the Mental Health Services Act (MHSA-Proposition 63) and federal revenues provide the primary funding source for behavioral health services. MHSA funding provides cost reimbursement for mental health community support services, prevention early intervention, mental health workforce education, and information technology needs. Federal revenue provides 50% reimbursement for adult and children's mental health services provided to Medi-Cal recipients and 100% for those Medi-Cal recipients who became eligible under the Affordable Care Act (ACA). Billing for mental health services is performed on a cost per unit basis. As a result of AB 1297 becoming effective July 1, 2012, the rate of claiming for mental health services increased to closer to the actual cost. While the federal reimbursement for services remains primarily at 50%, AB 1297 allows counties to bill the federal government for the eligible actual cost of services rather than at a capped State Maximum Allowance (SMA) rate. Delays in implementing AB 1297 remain and the State is currently paying counties an interim rate based on FY2014/15 costs. The Department anticipates that the State's interim rate for FY2016/17 will be based on the interim rate for FY2015/16 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 Medi-Cal 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 Medi-Cal services, including Narcotic Replacement Therapy, sometimes known as methadone treatment. Previously, the State managed the Drug Medi-Cal 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 ability to engage in utilization control at the local level with Narcotic Replacement Therapy treatment services could result in uncontrolled growth in these contracts. The Department also receives a federal Substance Abuse Prevention and Treatment (SAPT) block grant, which is a primary funding source for residential and treatment services that are not Medi-Cal funded. With the implementation of the ACA, some of the services previously funded with SAPT are reimbursed by Medi-Cal so speculation exists that in the future the SAPT funds could be 'repurposed' with new requirements and service goals at the federal level. Additionally, the State is embarking on an 1115 Drug Medi-Cal Waiver which would allow for federal reimbursement for some services currently being funded with SAPT. As implementation of the waiver is currently in early phases at the State level, many fiscal concerns remain unanswered, including how counties will be reimbursed under the waiver and how the structure impacts 2011 Realignment and the SAPT block grant.

Primary Cost

Primary costs for Behavioral Health are: $26,360,336 for Salaries and Employee Benefits; $5,117,092 for Services and Supplies; $48,925,644 for Other Charges; $992,061 for Other Financing Uses; and $1,834,036 for Intrafund Transfers.

The recommended appropriations for Behavioral Health include $74,602,873 for Mental Health (BU 7700), $2,280,125 for Intergovernmental Transfers Projects (BU 7598) and $6,346,171 for Substance Abuse (BU 7560).

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FINES, FORFEITURES, & PENALTY	69,032	35,771	40,048	4,277	12.0%
REVENUE FROM USE OF MONEY/PROP	6,695	1,605	5,958	4,353	271.2%
INTERGOVERNMENTAL REV STATE	37,883,810	48,048,614	50,045,748	1,997,134	4.2%
INTERGOVERNMENTAL REV FEDERAL	8,674,679	3,623,104	5,013,547	1,390,443	38.4%
CHARGES FOR SERVICES	1,176,536	488,212	587,426	99,214	20.3%
MISC REVENUE	494,811	0	0	0	0.0%
OTHER FINANCING SOURCES	10,837,138	19,994,484	18,802,643	(1,191,841)	(6.0%)
GENERAL FUND CONTRIBUTION	2,980,330	6,453,674	6,453,674	0	0.0%
TOTAL REVENUES	**62,123,030**	**78,645,464**	**80,949,044**	**2,303,580**	**2.9%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	22,271,092	26,463,632	26,360,336	(103,296)	(0.4%)
SERVICES AND SUPPLIES	4,133,367	5,408,363	5,117,092	(291,271)	(5.4%)
OTHER CHARGES	36,753,863	47,560,777	48,925,644	1,364,867	2.9%
OTHER FINANCING USES	1,039,860	1,103,785	992,061	(111,724)	(10.1%)
INTRA-FUND TRANSFERS	2,354,791	2,402,700	1,834,036	(568,664)	(23.7%)
TOTAL APPROPRIATIONS	**66,552,973**	**82,939,257**	**83,229,169**	**289,912**	**0.3%**
NET CHANGE	**4,429,943**	**4,293,793**	**2,280,125**	**(2,013,668)**	**(46.9%)**

STAFFING					
BEHAVIORIAL HEALTH	182.00	212.70	203.20	(9.50)	(4.5%)
TOTAL STAFFING	**182.00**	**212.70**	**203.20**	**(9.50)**	**(4.5%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2016/17 Recommended Budget projects a $2,303,580 net increase in revenues primarily due to the following:

- Federal reimbursements increasing for mental health services primarily due to an anticipated increase in the interim rate for Medi-Cal reimbursements and higher reimbursement for Quality Assurance activities. Substance Abuse Prevention and Treatment (SAPT) block grant also increased due to a higher allocation from the State.
- Increase in 1991 Realignment due to a new base established and anticipated growth. The projection assumes that the CalWORKs Maintenance of Effort (MOE) and base will be met. Also, FY2015/16 sales tax and Vehicle License Fee (VLF) growth will be received.
- 2011 Behavioral Health Realignment also increased due to estimated growth. To date, a permanent base for 2011 Behavioral Health Realignment and distributions for growth among the counties have not been established. Until a permanent base and growth distribution are established, counties can only make a best guess estimate on future projections for 2011 Realignment. The projection for FY2016/17 is based on the Governor's Budget estimates for sales tax for the Behavioral Health subaccount and the current county distribution percentage for FY2015/16.
- Increase in Intergovernmental Revenues attributed to the ICC clinics to maintain clinic operations.
- Decrease of $1,191,841 in Mental Health Services Act (MHSA) Prevention and Early Intervention funding primarily due to a change in funding sources for existing programs.

- Decrease in AB 109 2011 Realignment Revenues primarily due to staff/services transitioning to the Probation Department in FY2015/16.
- County General Fund contribution remains at $6,453,674.

The FY2016/17 Recommended Budget projects a $289,912 increase in appropriations primarily due to the following:

- Decrease of $103,296 in Salary and Benefits primarily due to the reduction of 7.0 vacant limited term IGT positions and extra help in Substance Abuse related to the Second Chance Grant contract employees. The reduction was offset with an increase in retirement and workers' compensation costs, and cost-of-living adjustments.
- Decrease of $291,271 in Services and Supplies primarily related to less consultant time projected for Xerox contracted IT support and MHSA administrative support. The decreases were partially offset with an increase in charges related to DOIT.
- Increase of $1,364,867 in Other Charges primarily due to increases of $1,179,823 for Institutions for Mental Diseases (IMDs); and $1,206,459 in Contracted Direct Services for Augmented Board and Care (ABC) facilities and Locum Tenens contract psychiatrists for the ICCs. Also contributing to increases in Contracted Direct Services is an increase in children's contracts expanded through MHSA. These increases were offset with decreases in IGT funded contracts whose funding has been expended and decreases of $761,935 due to anticipated fewer bed days for State Hospitals and $183,767 for security services that are now provided by a contract provider.
- Increase in H&SS Departmental overhead charges due to more staff time studying to Behavioral Health and an increase related to the transfer of IGT monies from Health Services to fund the ICCs.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2015/16 Budget are provided below:

- The Midyear Report approved by the Board on February 9, 2016 included the following changes:
  - Deleted 1.0 FTE Medical Records Technician and added 1.0 FTE Office Assistant II
  - Deleted 1.0 FTE Medical Records Technician (Senior) and added 1.0 FTE Office Assistant II
  - Deleted 1.0 FTE Mental Health Specialist I and added 1.0 FTE Mental Health Specialist II
  - Increased an existing 0.5 FTE to 1.0 FTE Mental Health Clinical Supervisor
  - Increased an existing 0.8 FTE to 1.0 FTE Nurse Practitioner/Physician Assistant. This position was transferred from Health Services to Behavioral Health Division during FY2015/16.
- The Third Quarter Report approved by the Board on May 10, 2016 included the following changes:
  - Transferred 2.0 FTE Mental Health Clinicians (Licensed) from Behavioral Health to the Probation Department to better align staffing supervision with AB 109 activities at the Center for Positive Change.
- Transfer of 1.0 FTE Community Services Coordinator from Behavioral Health Division to the Administration Division during FY2015/16.

The FY2016/17 Recommended Budget includes the following position changes:

- Delete 5.0 FTE Mental Health Clinicians (Licensed) limited term to October 24, 2016
- Delete 1.0 FTE Mental Health Specialist II limited term to October 24, 2016
- Delete 1.0 FTE Patients Benefits Specialist limited term to October 24, 2016
- Extend 1.0 FTE Mental Health Clinician (Licensed) limited term to June 30, 2017
- Extend 0.5 FTE Office Assistant II limited term to June 30, 2017
- Extend 1.5 FTE Mental Health Clinical Supervisor limited term to June 30, 2017

PENDING ISSUES AND POLICY CONSIDERATIONS

Revenues in Behavioral Health are not keeping pace with the increases in program expenditures. Many of the services utilize 1991 and 2011 Realignment for reimbursement and/or as federal matching funds for Medi-Cal services. As many unknowns continue to surround both realignment funding sources, it is difficult to project what will be received for Behavioral Health. Revenues and expenditures will be carefully monitored and service levels may need to be adjusted based on available funding streams.

The Recommended Budget for 1991 Realignment is assuming that the CalWORKs MOE will be met and Behavioral Health will receive its guaranteed amount plus base. In addition, it assumes that both FY2015/16 Vehicle License Fee (VLF) and Sales Tax growth will be received as well as FY2015/16 Mental Health Subaccount growth from 2011 Realignment. The projection is not conservative as it relies on significant growth of sales tax and VLF revenues statewide. If the CalWORKs MOE is not met, the exposure for Solano County is $1.7 million. As base is funded first, if the CalWORKs MOE and base are met, the exposure would be reduced by an estimated $390,000 to $517,000. The projection is based on information from the Governor's FY2016/17 Proposed Budget; however, the California Behavioral Health Director's Association (CBHDA) has indicated that current year revenues are flat so growth may not materialize.

A permanent base has not been established for the 2011 Behavioral Health Subaccount. Additionally, a permanent methodology to distribute growth also does not exist. Without either having a permanent distribution structure, projecting 2011 Realignment is difficult. The State continues to discuss a distribution methodology for FY2015/16 subaccount and the existing distribution is based on FY2014/15 percentages which were not adjusted for FY2013/14 growth. The Recommended Budget uses the Governor's Proposed Budget estimate for FY2016/17 with the existing distribution percentages. The State also continues to discuss distribution of the FY2014/15 growth. As the previous growth distribution considered growth in Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) and Drug Medi-Cal (DMC) Program among counties before distributing the remaining funds to counties, it is difficult to project what growth may be received and the Recommended Budget does not include any estimate. Potential exposure on 2011 Realignment is difficult to estimate as too many unknowns exist.

Reimbursement of costs through AB 1297 is still uncertain and impact of this change on Medi-Cal revenues is still unknown. While AB 1297 eliminated the State Maximum Allowable Rate (SMA beginning July 1, 2012), the State has not fully implemented the legislation. Recently, the Centers for Medical Services (CMS) approved the State Plan Amendment (SPA) that will allow counties to claim their actual costs up to an Upper Payment Limit 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 Medi-Cal 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 an Upper Payment Limit (UPL) on cost reimbursement and future cost settlements. As final cost settlements typically happen five years after the close of a fiscal year, any changes to the process during the time period can impact any final adjustments in the cost report which could impact any cost settlement amounts.

The Recommended Budget assumes the interim Medi-Cal rate for FY2016/17 will increase and units for services and payer mix will remain similar to the first six months of FY2015/16. Any time the rate increases it requires more matching revenues as Medi-Cal services require a 50% non-federal match for the non ACA population. As realignment provides a majority of the matching revenue, if increases in expenditures continue to push the interim rate up and growth in realignment revenues do not materialize as needed, the Department may need to request additional County support.

The Behavioral Health Division continues to utilize Intergovernmental Transfer funds (IGT) from the restricted reserve for Behavioral Health programs; however, the fund is diminishing and the Department anticipates depleting the fund in FY2016/17. In addition to the remaining IGT being utilized to support the ICCs, the Division is anticipating to receive $2.5 million from Public Health IGT for clinic operations. If IGT funding is not available to support the ICCs, County funds may be needed to continue to support clinic operations.

Fiscal impacts related to legislative changes under AB 403 are unknown and may result in future cost increases for children's services. AB 403, the Continuum of Care Reform (CCR), is a broad legislative attempt to reform the Child Welfare system. AB 403 proposes to create local, community based therapeutic foster care homes as an alternative to long term placement for children and youth in out of home group placement. This group includes juveniles under Probation's supervision as well. The fiscal consequences of this reform effort are uncertain. While there may be some cost neutrality of shifting care for a child from a residential model to a community based model, many of the children and youth served may also require more hospitalization and crisis services and community based services. Because the intensity of the services required, costs may be more expensive to the mental health system to serve. Additionally, changes in the criteria for other mandated services like Katie A. could result in increased service demand and/or case discovery. The Department is participating in a State Workgroup to better anticipate these impacts in advance.

The Department continues to monitor implementation of the Drug Medi-Cal Waiver 2020 'Organized Delivery System' statewide and will continue to assess if Solano County has the programmatic and fiscal resources to participate successfully. Fiscal details on the claiming under the DMC Waiver are still pending.

DIVISION PURPOSE

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

FUNCTION AND RESPONSIBILITIES

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

Public Health Division

The Public Health Division is responsible for monitoring, understanding, and helping to address health concerns facing the community. Data is used to analyze public health issues and communicated to the public to provide residents with sufficient information to make healthy choices. Core functions include protecting the community from health problems and health hazards as well as 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.

Key functional areas in Public Health include communicable disease control; health surveillance and epidemiology; health promotion and community wellness; public health laboratory; maternal, child and adolescent health; nutrition services; and, vital statistics.

Medical Services Division

The Medical Services Division operates County Family Health Services' eleven (11) Federally Qualified Health Center (FQHC) Clinics that provide timely, high quality, culturally, and linguistically appropriate comprehensive healthcare in the Centers for Medicare and Medicaid (CMS) recipients and to uninsured and underinsured residents of Solano County, including the homeless. Family Health Services satisfies the County's mandate under Welfare and Institutions Code 17000 in its provision of direct and supportive healthcare services to the medically indigent residents of Solano County. Vaccinations and TB testing are provided to clients and County employees through the Occupational Health program which is administered by Risk Management.

The Emergency Medical Services Agency is within the Medical Services Division and is responsible for monitoring and oversight of the County contracted ambulance service provider as well as designation and monitoring of Trauma Centers, STEMI Centers and Emergency Departments approved for pediatrics. Emergency Medical Services Agency staff is also responsible for designation, monitoring, and oversight of Trauma Centers.

Key functional areas in the Medical Services Division include emergency services; and dental, primary care and behavioral health.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Public Health Division:

- In FY2014/15, the Napa-Solano-Yolo-Marin County Public Health Laboratory received $169,200 in competitive federal grants, consisting of $93,700 to improve rapid molecular testing capabilities and $75,500 to train Public Health Microbiologists.
- In October 2015, Maternal, Child and Adolescent Health (MCAH) launched the Early Prenatal Care Learning Collaborative to improve rates of early entry into prenatal care for all women in Solano County. The Collaborative used geospatial analysis to identify hot spots to target interventions.
- Through collaboration with partner agencies, Maternal, Child and Adolescent Health continued to help maintain high rates of entry into early prenatal care (first trimester care). Entry into early prenatal care in Solano County increased from 74.4% in 2004 to 78.9% in 2015, exceeding the Healthy People 2020 goal of 77.6%.
- Solano Public Health has implemented a population and public health data hub with electronic capacity to receive public health data. In partnership with local hospitals and healthcare providers. Solano Public Health is developing an electronic surveillance system to track and monitor public health information to improve detection and response to disease outbreaks and other health issues.

- The Laboratory Information Management System upgrade is in the process of being implemented and should be completed by late 2016.
- Maternal, Child and Adolescent Health saw continued reductions in teen births. The teen birth rate in Solano County was 14.9 per 1,000 females in 2015. This is a 50% decrease from 10 years ago (31 per 1,000 females). Factors involved in the decline include later onset of sexual activity among adolescents, increased knowledge of and access to birth control methods. Pregnancy prevention programs and messages directed to teens have also contributed to behavior change, leading to a drop in the teen birth rate.
- Maternal, Child and Adolescent Health implemented a 24-month continuous quality improvement project to streamline referrals for all of its programs. In 2015, MCAH received and processed 864 referrals to various home visiting programs and other services.
- In April 2015, Maternal, Child and Adolescent Health received Healthy Families America (HFA) Accreditation from National Healthy Families America/Prevent Child Abuse America. The HFA accreditation process is designed to identify individual sites that have achieved high standards for performance and a commitment to quality.
- The rate of exclusive breastfeeding among participants in the Women, Infants and Children (WIC) Program in 2015 was 22%, compared to 15.9% in 2010, prior to the program starting, and 56% in 2014. In the last year, the program experienced a decrease in funding and the program's scope reduced.
- The Nutrition Education and Obesity Prevention Program of the Nutrition Services Bureau and the Health Promotion and Community Wellness Bureau collaborated successfully with the Fairfield Suisun Unified School District and the Vacaville Unified School District to implement a program at ten Fairfield and Vacaville schools to improve access to drinking water using hydration stations and education activities.
- In 2015, the Communicable Disease Program addressed a number of disease outbreaks including Ebola, West Nile virus, Chikungunya, Measles, Influenza and Pertussis.
- The Communicable Disease Program continued to collaborate with the National Association for the Advancement of Colored People (NAACP) of Vallejo and Planned Parenthood Northern California on the Education, Testing and Treatment (ET2) Project to address sexually transmitted diseases in young adults and youth in Vallejo.
- In 2015, the Health Promotion and Community Wellness Bureau worked with the Solano County Board of Supervisors and the City of Suisun to increase smoke-free public spaces in their jurisdictions. There is now a smoke-free ordinance and policy covering all County owned and leased facilities, and a smoke-free ordinance covering all events in Suisun City parks and their marina district. These ordinances provide access to smoke-free environments for thousands of residents and visitors.
- In 2015, Health Promotion and Community Wellness worked with County Counsel and the Solano County Board of Supervisors to add electronic cigarettes and similar devices to the County's ordinance regulating smoking.
- Health Promotion and Community Wellness and Touro University of California are coordinating six National Diabetes Prevention Program classes in Vallejo to prevent type 2 diabetes for 75 clients.
- The Vital Statistics Unit launched an online payment system in 2015, and about 80% of death certificates and 50% of birth certificates are now ordered and paid for online.
- In 2015, Solano Public Health joined local hospitals to draft a Community Health Needs Assessment for Solano County. This report is one of the prerequisites required to apply for Public Health Accreditation through the Public Health Advisory Board (PHAB).

Medical Services Division:

- Family Health Services continues to explore new avenues to recruit primary care providers, both physicians and mid-level practitioners. Some progress has been made in the Nurse Practitioner and Physician Assistant fields.
- Family Health Services continues to provide services through its Mobile Primary Care Van, Dental Van and two satellite clinic sites located throughout Solano County to provide primary care, dental and behavioral health services.

- In 2016, the Solano Emergency Medical Services Agency implemented regulations for oversight of base hospitals, alternative base stations, hospitals that have received Specialty Center Designation and air ambulance services.
- In 2016, the Emergency Services Bureau hosted a team from the California Department of Public Health's Emergency Preparedness Office to share and discuss the statewide goals and mission with Solano County's Healthcare Coalition.

WORKLOAD INDICATORS

Public Health Division

- In FY2014/15, the Public Health Laboratory performed 17,669 tests. The single most-performed public health test was childhood blood lead screening, with a total of 2,779 tests. The Public Health Laboratory performed 6,957 tests for communicable disease control, 6,113 tests for water quality and safety, and 1,766 clinical tests as a reference laboratory for local hospitals and providers.
- In 2015, 6,636 disease cases were reported to Solano Public Health, resulting in 2,792 confirmed, communicable disease cases.
- In 2015, the Immunization Program held 19 immunization clinics, providing 831 influenza vaccines to the general community.
- In 2015, the Women, Infants, & Children (WIC) Program served a monthly average of 9,943 pregnant women, postpartum women and children less than 5 years of age; this is compared to 10,432 per month in 2014 and 10,896 per month in 2013.
- In 2015, the Nutrition Education and Obesity Prevention Program reached 4,140 people through direct nutrition education and approximately 6,000 people through health events.
- In 2015, Maternal, Child and Adolescent Health programs conducted 4,814 home visits to high-risk families by public health nurses, social workers, and community health workers.
- In 2015, the California Children's Services Program provided services to 1,174 children with severe and disabling medical problems.
- In 2015, the California Health and Disability Prevention Program linked 1,773 children to rapid health insurance through the Gateway Program.
- In 2015, 85 Solano children with elevated blood lead levels received services from the Public Health Nursing Program and Environmental Health.
- In the 2014-2015 School Year, Health Promotion and Community Wellness encouraged 16,371 students at 55 sites to participate in Safe Routes to School events.
- In the FY2014/15, Health Promotion and Community Wellness and community partners worked with 289 parents, who attended 62 low-cost, car seat education classes (40 in English and 22 in Spanish), and provided 570 gift cards towards the purchase of new car seats.
- In the 2014-2015 school year, 601 safety helmets were distributed to youth through Safe Routes to Schools one-on-one education sessions, safety assemblies and bicycle safety rodeos.
- In 2015, Health Promotion and Community Wellness supported local partners who educated 48 seniors, ages 51-90, in evidence-based classes that reduce senior falls and injuries.
- The Vital Statistics Unit provided 20,437 death permits, death certificates and birth certificates in 2015.

Medical Services Division

- In 2015, the Emergency Medical Services Agency certified 271 Emergency Medical Technicians and 203 Paramedics.
- In FY2015/16, the Emergency Preparedness and Response Program staff conducted two tabletop exercises, an Emergency Medical Response Summit, and a Statewide Medical and Health Full-Scale Exercise.
- In 2015, Family Health Services provided primary care and dental health services to nearly 24,000 clients.

- Family Health Services increased its Partnership HealthPlan of California capitation from 23,206 clients in 2014 to 29,012 clients in 2015, a 25% increase.
- In 2015, the Family Health Services' call center received 101,280 calls with an 11.44% call abandonment rate.

DIVISION BUDGET SUMMARY

The Recommended Budget represents a decrease of $4,720,441 or 6.4% in revenues and a decrease of $404,897 or 0.6% in appropriations when compared to the FY2015/16 Adopted Budget. The ending balance of $1,282,438 represents the unspent PH-IGT (Intergovernmental Transfer) funds that will be available for FY2016/17. The Health Services budget is comprised of three main program areas: Family Health Services, Medical Services and Public Health.

Primary Funding Sources

The primary funding source for Family Health Services (FHS) is through Federally Qualified Health Center (FQHC) funding, 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. H&SS has already received permanent rates for 355 and 365 Tuolumne Street in Vallejo and for 2101 and 2201 Courage Drive in Fairfield. An interim rate was established for the Vacaville Clinic in FY2013/14 and for the Mobile Dental Van in FY2012/13. The Mobile Primary Care Van application was submitted to DHCS this year and an interim rate for the primary care van should be established in FY2016/17.

Other important funding sources for FHS include the Healthcare for the Homeless Grant, the Ryan White (HIV/AIDS) Grant, and the HIV Opt-Out Grant.

Furthermore, the newly adopted 340B (of the Public Health Services Act) Pharmaceutical Program is projected to generate new revenue of approximately $250,000 or more. The program requires pharmaceuticals manufacturers participating in the Medicaid drug rebate program to provide discounted drugs to FQHC designated clinics.

It is important to note that the FY2016/17 budget for Family Health Services' has been established based upon the assumption that all revenue generating positions (e.g., Clinic Physicians, Nurse Practitioners, Dentists, etc.) along with the necessary ancillary support positions, will be filled, and will generate revenue in accordance with the patient appointment templates currently in use by the clinics. The budget will remain balanced so long as 90% of the aforementioned allocated positions are filled.

If positions are not allocated or if vacancies remain unfilled revenue cannot be generated at the forecasted level, in which case County General Fund monies would be required to cover the shortfall. Because the clinics rely on revenues generated from billable provider-patient encounters, it is critical that processes be expedited to efficiently create, recruit and fill FHS clinic positions. In addition, contrary to many other County budgets, salary savings adversely affect FHS clinics because these positions are required to generate the projected revenues. When positions are vacant, the lost revenues far exceed any savings in salary.

As we look to the future, it is likely we will eventually move to a purely capitated managed care model. Under that model, revenue will be based upon total Partnership HealthPlan of California members assigned to FHS. Medical Provider productivity will be less important and whole person healthcare provided by a team of healthcare professionals will be the focus. There are still a lot of details that will need to be worked out before this model is adopted by Partnership HealthPlan of California.

Funding sources for Emergency Medical Services and Preparedness include: various grants, revenue contracts with other counties, private companies, healthcare providers, fines and fees, and federal and State allocations. The Emergency Preparedness and Response program utilizes federal and State grant proceeds to underwrite all operating expenses.

The Occupational Health program will be transferred to Risk Management to administer; however, the Medical Services Division of H&SS will continue to provide vaccination and TB testing for employees, which will be funded via inter-departmental transfer of funds.

Funding sources for Public Health (PH) include various federal grants; fee-for-service; revenue contracts with colleges, other counties, and private companies; Intergovernmental Transfers (IGT), and federal and State allocations. Programs utilizing federal grants include Nurse Family Partnership, Health Education, and WIC. Programs utilizing fee-for-service and revenue contracts include the Public Health Lab, Vital Statistics, Health Promotion and Community Wellness, and Student Health Services. Programs utilizing federal and State allocations include Tuberculosis Control, Communicable Disease, AIDS Surveillance, 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 $37,009,008 for Salaries and Employee Benefits, $11,760,625 for Services and Supplies, $14,725,063 for Other Charges which include $5,084,352 in contracted direct services; $321,500 in fixed assets; $1,153,533 for other financing uses, and $4,997,366 for intrafund transfers.

The primary programs in Health Services are Public Health (BU 7800) with appropriations of $30,579,764; Medical Services (BU 7588) with appropriations of $8,042,171 and Family Health Services (BU 7580) with appropriations of $31,345,160.

In May 2016, the CMSP Board will be considering waiving the CMSP fee for FY2016/17. If so, the County will have the opportunity to use the County General Fund transfer in to offset cost exposures in the Behavioral Health Division.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
LICENSES, PERMITS & FRANCHISE	17,748	17,750	17,750	0	0.0%
FINES, FORFEITURES, & PENALTY	233,496	295,000	274,000	(21,000)	(7.1%)
REVENUE FROM USE OF MONEY/PROP	21,216	5,000	9,500	4,500	90.0%
INTERGOVERNMENTAL REV STATE	14,649,902	29,571,378	22,161,789	(7,409,589)	(25.1%)
INTERGOVERNMENTAL REV FEDERAL	10,015,249	12,439,509	13,359,268	919,759	7.4%
INTERGOVERNMENTAL REV OTHER	816,051	910,444	952,478	42,034	4.6%
CHARGES FOR SERVICES	19,863,642	25,343,789	26,705,941	1,362,152	5.4%
MISC REVENUE	1,034,521	1,479,600	2,140,680	661,080	44.7%
OTHER FINANCING SOURCES	1,044,616	1,082,731	803,354	(279,377)	(25.8%)
GENERAL FUND CONTRIBUTION	2,259,897	2,259,897	2,259,897	0	0.0%
TOTAL REVENUES	**49,956,338**	**73,405,098**	**68,684,657**	**(4,720,441)**	**(6.4%)**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	26,558,661	32,887,228	37,009,008	4,121,780	12.5%
SERVICES AND SUPPLIES	6,082,640	10,478,203	11,760,625	1,282,422	12.2%
OTHER CHARGES	12,236,686	21,987,051	14,725,063	(7,261,988)	(33.0%)
F/A BLDGS AND IMPRMTS	960	5,000	71,500	66,500	1330.0%
F/A EQUIPMENT	0	331,406	250,000	(81,406)	(24.6%)
OTHER FINANCING USES	2,255,183	1,236,549	1,153,533	(83,016)	(6.7%)
INTRA-FUND TRANSFERS	2,649,056	3,446,555	4,997,366	1,550,811	45.0%
TOTAL APPROPRIATIONS	**49,783,185**	**70,371,992**	**69,967,095**	**(404,897)**	**(0.6%)**
NET CHANGE	**(173,152)**	**(3,033,106)**	**1,282,438**	**4,315,544**	**(142.3%)**

STAFFING					
HEALTH SERVICES	307.70	293.45	313.60	20.15	6.9%
TOTAL STAFFING	**307.70**	**293.45**	**313.60**	**20.15**	**6.9%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant changes in revenue include:

The FY2016/17 Recommended Budget for Health Services projects a $4,720,441 net decrease in revenues compared to the FY2015/16 Adopted Budget. The projected decrease in revenue results primarily from recognizing 100% of the Intergovernmental Transfer (IGT) in FY2015/16 and is partially offset by increases in Realignment and various Public Health and Family Health Services grants and allocations as follows:

- Decrease of $10,220,262 in IGT revenue

- Decrease of $21,000 in Forfeitures and Penalties from Maddy A funds received from the Courts
- Increase of $3,061,072 in the PH Realignment
- Increase of $434,629 in the Healthcare for the Homeless Grant
- Increase of $130,000 in the Nurse Family Partnership Grant
- Increase of $44,200 in the Minority Aids Initiative Allocation
- Increase of $1,362,152 in FQHC funding due to the projection of filling all requested positions and the assumption that staff will meet target productivity rates
- Increase of $661,080 in Other Revenue due primarily to increases from Partnership HealthPlan for Quality Improvement incentives, provider retention, and case management

Significant changes in appropriations include:

The FY2016/17 Recommended Budget for Health Services projects a $404,897 net decrease in expenditures compared to the FY2015/16 Adopted Budget. The projected decrease results from the net decrease in Other Charges, Fixed Assets and Other Financing Uses with increases in all other expenditure categories as follows:

- Increase of $4,121,780 in Salaries and Employee Benefits primarily due to the increase in requested positions for Family Health Services and cost-of-living adjustments.
- Increase of $1,282,422 in Services and Supplies primarily due to increases of $1,764,494 in Contracted Services due primarily to the move of five Partnership in Community Health contracts from Contracted Direct Service to properly reflect that the contracts are not directly related to clients, $240,267 in data processing costs from DoIT, and $80,800 in Moving/Freight/Towing for moving incentives for physicians paid for by Partnership Health Plan; and offset by reductions of $868,906 in Special Departmental Expense, which is comprised of the $1,036,000 State Admin Fee for IGT paid in FY2015/16 and offset by increase in FHS for patient incentives and a van replacement program, and $103,669 for equipment maintenance.
- Decrease of $7,261,988 in Other Charges primarily due to decreases in the following: $1,100,548 in Contracted Direct Services due to non-renewal of a Locums Tenens' contract for professional services, moving five Partnership in Community Health contracts from Contracted Direct Services to Contracted Services to properly reflect that these contracts are not directly related to clients, and decreasing Health Access contracts due to the end of State funding for these contracts to assist in enrollment and retention of Medi-Cal clients through the ACA; $5,180,049 in IGT charges resulting from the last payment to the State for IGT participation in FY2015/16; $348,632 in charges for custodial/grounds and security; $270,828 in small project requests as the dental clinic renovations have been completed; $390,944 in countywide administrative overhead (A87).
- Decrease of $14,906 in Fixed Assets due to an increase of $66,500 for glass dividers in the primary care clinics' reception areas and an increase of $110,000 for two vehicles to pair with the dental and primary care vans for staff mobility and to replace a disaster response vehicle for Emergency Medical Services as the current vehicle is over 13 years old; which is partially offset by a decrease of $191,406 in equipment requests.
- Decrease of $83,016 in Other Financing Uses due to a decrease in debt service and POB costs.
- Increase of $1,550,811 in Intrafund Transfers due primarily to an increase of $431,462 in the Division's allocated share of H&SS administrations costs; and an increase of $1,121,349 in Intrafund Services - Personnel due to increases of $1,016,023 in Public Health-IGT to support Behavioral Health programs, $5,146 in SAPT funds for AIDS prevention personnel, and $100,000 due to elimination in Behavioral Health-IGT for Nurse Family Partnership program.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2015/16 Budget are provided below:

- On November 24, 2015, the Board approved the following position changes:

  - Reclassified of 1.0 FTE Chief Medical Officer/Deputy Health Officer to 1.0 FTE Deputy Director of Health and Social Services/Medical Services Officer.
  - Added 1.0 FTE Health Services Manager (Senior)
  - Deleted 1.0 FTE Health Services Administrator
- The Midyear Report approved by the Board on February 9, 2016 included the following changes:
  - Deleted 1.0 FTE Communicable Disease Investigator
  - Deleted 0.5 FTE Project Manager
  - Deleted 0.5 FTE Epidemiologist
  - Added 4.0 FTE Office Assistant II
  - Added 1.0 FTE Health Education Specialist
  - Added 0.2 FTE Nurse Practitioner/Physician's Assistant
  - Reclassified 1.0 FTE Health Education Manager to 1.0 FTE Health Services Manager
  - Reclassified 1.0 FTE Dentist Supervisor to 1.0 FTE Dentist Manager
  - Converted 1.0 FTE Community Services Coordinator limited term to a regular position
  - Converted 1.0 FTE Health Assistant limited term to a regular position
  - Converted 1.0 FTE Health Education Specialist limited term to a regular position
- The Recommended Budget includes the following position changes (funded 100% with State/federal, Medi-Cal FQHC) to Family Health Services' clinics:
  - Add 3.0 FTE Office Assistant II
  - Add 1.0 FTE Health Education Specialist
  - Add 6.0 FTE Medical Assistant
  - Add 1.0 FTE Office Supervisor
  - Add 2.0 Nurse Practitioner/Physician's Assistant
  - Add 2.0 FTE Dental Assistant (Registered)
  - Add 1.0 FTE Dentist
  - Delete 0.5 FTE Psychiatrist limited term to October 24, 2016
- The Recommended Budget includes the following position changes to Public Health Services:
  - Extend 1.0 FTE Health Education Specialist (Senior) limited term through March 31, 2018, funded with Realignment revenue
  - Add 1.0 Health Education Specialist limited term through June 30, 2017, funded 100% with Federal WIC funds
  - Add 0.2 FTE Administrative Secretary (increasing an existing position to 1.0 FTE), funded 100% with Federal WIC funds
  - Add 0.25 FTE Lactation Educator & Counselor (increasing an existing position to 1.0 FTE), funded 100% with Federal WIC funds
  - Delete 1.0 FTE Occupational Health Program Manager as administration of the Occupational Health Program is recommended to be transferred to Risk Management to administer.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are a number of significant issues and policy considerations at the State and federal levels that may impact Health Services.

The Family Health Services budget was developed upon the assumption that providers will meet target productivity goals and that vacant revenue generating positions will be filled. If expenditures increase, including fixed costs and those associated with non-revenue generating positions, and actual productivity in FY2016/17 falls below the targeted goals, FHS may need to seek additional General Fund assistance from the County. With the expansion of Medi-Cal for undocumented children, the County's contract to pay a portion of the premiums for low-income families with children should decrease but not be totally eliminated. Some children will still need to be covered through this program. The number of children that will be able to convert to Medi-Cal is not yet known, but is expected to be a substantial portion of the children currently in the program.

Vacancies in Family Health Services, particularly provider vacancies, continue to be a challenge. The implementation of the Affordable Care Act in January 2014 has impacted the already significant shortage in primary care providers, which includes physicians, nurse practitioners and physician assistants. These providers are critical to the generation of revenue and the large number of provider vacancies is contributing to the operating deficit in the clinics. The County has attempted to address this problem by increasing pay for providers, and providing incentives, such as student loan reimbursement, to eligible providers. This has somewhat alleviated the problem; however, the clinics are still experiencing a 13% vacancy rate.

The ACA is helping to shift the focus of healthcare delivery to primary care and to whole person healthcare (addressing the spectrum of physical, mental and behavioral health needs). As a result of intensified competition for primary care and behavioral health providers, the already substantial shortage of these providers has worsened throughout the nation, including in Solano County. At the same time, the number of persons with healthcare coverage through Medi-Cal and Covered California has increased significantly. This has created challenges with respect to access to healthcare for many individuals, particularly for the uninsured and those on Medi-Cal, as most providers in the County are not accepting new Medi-Cal clients.

There has been an 85% increase in the number of patients assigned to the Family Health Services (FHS) Clinics by Partnership Health Plan, the County's Medi-Cal managed care provider, since implementation of the ACA. Due to the issues noted above, the FHS Clinics are experiencing an acute shortage of primary care providers. This combination has negatively impacted both client service (with extended wait times for appointments) and the financial status of the Clinics. Efforts are underway to continue improving Clinic productivity and workflow efficiency. However, recruitment and retention of providers is the most critical area of focus for the FHS Clinics.

The Medicare FQHC Prospective Payment System (PPS) Final Rule came out on May 2, 2014 and was required to be implemented by July 1, 2015. This rule changed the way Medicare encounters are reimbursed, and sets a national base rate with a small adjustment for regional variations. This rate is then compared to the actual charge per encounter and Medicare will pay 80% of the lesser of the FQHC's actual charge or the encounter rate. FHS Clinics were required to implement the International Classification of Diseases Version 10 (ICD 10) for medical record-keeping and billing purposes by October 2015. This new version is significantly more detailed and complicated than the version previously in use. The implementation of Medicare PPS and ICD 10 has resulted in reduced productivity in the Clinics while providers and other staff are adjusting to the new coding system.

Productivity continues to be an issue in Family Health Services. Less productivity than projected is a function of both provider-related issues and the large number of provider vacancies in the Clinics. Continuing changes in the Electronic Healthcare environment, such as new Medicare regulations and implementation of ICD-10, have slowed the rate of achieving targeted per-provider productivity goals; however, the Clinics have introduced a daily scorecard that should help to monitor this on a daily basis.

Health Services is applying to the California Department of Health Care Services for a second year of Intergovernmental Transfer (IGT) funds to help maintain and improve current public health and healthcare services and to improve access to those services for eligible County residents.

In response to audit findings by the U.S. Health Resources and Services Administration (HRSA), the FHS Clinics are seeking designation as a Community Health Clinic (330e status). One of the requirements necessary to achieve this designation was creation of a Co-Applicant Board, which was approved by the Board of Supervisors in November 2015 and inaugurated in January 2016.

Forecasting anticipated Public Health Realignment Funding (1991 Realignment from Sales Tax and VLF) over the next 3-5 years is difficult given the changes in the formula for growth in 1991 Realignment resulting from passage of legislation (AB 85) signed by the Governor in 2013. As a result, allocation of these Realignment monies, which provide support to nearly all of the programs in the Public Health Division, needs to account for potential variability from year to year and the possibility of another economic downturn while ensuring continuation and/or appropriate expansion of core services and activities. Core services include communicable disease programs (including TB, STD and HIV control), the Public Health Laboratory, disease surveillance and epidemiology, Public Health Nursing, Vital Statistics, California Children's Services, WIC, chronic disease prevention and health education; significant current projects include public health accreditation, community health indicators development (to identify "hot spots" and monitor health status), a Countywide Needs Assessment (being conducted in partnership with Solano's hospitals and clinics), and the Network of Care portal.

Public Health, with the assistance of DoIT, is actively engaged in developing and implementing an IT infrastructure that will optimize data interoperability, access to public health data, analysis, service provision and sharing of community health data.

Solano County's aging population will need increased prevention services in order to minimize healthcare impacts and their associated costs. The Department is looking at integrating various programs in Older and Disabled Adult Services (ODAS) with Public Health to have more of a community impact on growing aging and disability issues. In addition, implementing a public health nurse home-visiting program focused on the elderly and disabled adults would be very beneficial to the County; however, it would require additional position allocations.

An ongoing concern is ensuring sustainability of programs in Public Health that currently rely on funding that is at risk of being reduced or eliminated, such as evidence-based home visiting (Nurse Family Partnership (NFP) and Healthy Families America (HFA)), injury prevention and chronic disease prevention.

The Division of Health Services and H&SS Administration are working with Partnership Health Plan to obtain Intergovernmental Transfer funds for Public Health and Medical programs.

DIVISION PURPOSE

The Social Services Division has 16 major programs primarily providing services in the following major categories: Employment and Eligibility Services (E&E), 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) the staff in these Divisions are responsible for issuing assistance to clients as budgeted in the Public Assistance Division (BU 7900).

Employment and Eligibility Services

The Employment and Eligibility (E&E) Services Division contribute to the well-being of Solano County residents' well-being by providing safety net public assistance, medical insurance enrollment, and employment services programs. E&E 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 funds 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 the County's most isolated and vulnerable citizens. ODAS focuses on comprehensive, integrated assistance for older and disabled adults in the area of Adult Protective Services, In-Home Supportive Services (IHSS), Public Administrator/Guardian/Conservator and Public Authority. 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 who have been a victim of abuse or neglect and have been found by the Courts to be unable to take care of themselves or their assets. The Public Authority is part of a continuum to help elderly and/or disabled adults and disabled children remain in their own homes with the support of in-home care. As the employer of record for IHSS caregivers, the Public Authority negotiates wages and benefits for IHSS caregivers, provides registry services to assist IHSS consumers in finding caregivers, and provides access to training for IHSS consumers and caregivers.

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, 2015, 126,721 county residents, or 29.5% of the county population, were receiving public assistance benefits, up from 77,393, or 18.7%, five years earlier. These benefits have a significant impact on the county's economy. E&E provides cash aid to over 5,300 families per month representing approximately 16,000 individuals, food assistance to over 23,000 families, representing nearly 48,000 individuals per month, Medi-Cal coverage to almost 53,000 families per month, and County Medical Services Program (CMSP) coverage to approximately 169 individuals.

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

The mission of Child Welfare Services (CWS) is to protect children from abuse and neglect by strengthening families or finding safe, permanent homes so they can grow into healthy productive adults. Child Welfare Services includes Hotline, Emergency Response 24/7 Services, Intensive Family Maintenance and Family Reunification Services, Permanent Placement Services, Supportive Transition Services and Adoption Services.

CWS provides five 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, 4) Permanent Placement, and 5) Supportive Transition.

- 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 a court order from the Juvenile Court to place 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 and Family Reunification provide an Intensive Family Services model which engages families, including frequent social worker contact to address the factors that necessitated Child Welfare Services involvement through a family focused service approach to support families.
- 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.
- Adoption Services 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.
- Supportive Transition provides services to non-minor dependents up to 21 years of age. The majority of young adults have chosen to transition into supervised independent living placements or transitional housing programs, and are working towards educational and vocational goals.

CWS also provides Foster Care Eligibility Services which determines the eligibility and funding source that pays for out-of-home placement for children who are placed in foster care by CWS and Probation. As part of the eligibility process, foster children are enrolled in Medi-Cal. In addition, CWS provides placement services for children who are removed from their families in 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 a relative, a non-related extended family member, licensed state homes, foster family agency homes, and group homes.

Older and Disabled Adult Services

ODAS is responsible for the In-Home Supportive Services (IHSS) program, Adult Protective Services (APS), and the Public Administrator / Public Guardian / Public Conservators (PA/PG/PC) 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 provides response and investigations on allegations 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. The Public Authority's goal to assist In-Home Supportive Services (IHSS) consumers to live quality lives in their own homes. This is accomplished by recruiting, screening, and training home care providers who are available to assist IHSS consumers in their own homes.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Employment and Eligibility Services:

- In December of 2014 implemented Success Track, a subsidized employment activity of the Welfare to Work (WTW) program. At that time, E&E division contracted with the Workforce Investment Board (WIB) to provide CalWORKs clients that are mandated to participate in the WTW program with the skills and confidence necessary to become a competitive applicant in today's job market. Through this program, participants receive career counseling, job leads and networking opportunities, resume and application assistance, and interview preparation and placement assistance as they prepare to transition to permanent employment. During FY2014/15, 24 WTW clients obtained permanent employment through Success Track.
- Family Stabilization (FS) has been a component of the CalWORKs Welfare-To-Work (WTW) Program for 18 months. FS provides intensive case management and services to those families identified as experiencing crises that interferes with the WTW client's ability to meet the WTW program requirements. Since its inception, FS has received over 670 referrals to the program and has successfully served approximately 600 individuals, which includes parents and their children. Through intense case management, FS social workers ensure that clients are given assistance to address and remove barriers such as domestic abuse, mental health, substance abuse and housing, and stabilize the family with the goal of obtaining gainful employment and ultimately becoming permanently employed.
- In January 2015, the Solano County CalWORKs Bureau was awarded $151,323 from Housing and Urban Development (HUD) funds to develop a program with the goal of assisting CalWORKs chronically homeless families to obtain permanent supportive housing through rental assistance, rental deposits and other supportive services. This award was used to implement the CalWORKs Permanent Supportive Housing (PSH) program. In October 2015, E&E was again awarded HUD funding for the Permanent Support Housing (PSH) grant and at a higher amount, $157,958. CalWORKs also received an additional $110,346 from HUD for the PSH grant.
- In September of 2015, E&E again received "Recognition of Excellence" for contributing to California's low Federal Fiscal Year (FFY) 2014 CalFresh error rate. Solano County's FFY2014 CalFresh error rate was 1.41%, compared to California's error rate at 5.13%, and the National error rate at 3.66%.
- In October 2015, the Solano County CalWORKs Bureau was awarded approximately $835,000 in Housing Support Program (HSP) funding for Rapid Re-Housing (RRH) to serve eligible CalWORKs participants who are homeless or at imminent risk of homelessness. The RRH allocation has been implemented through the Family Stabilization program and the funds are used to assist participants with housing rental assistance, deposits, moving costs, utilities, motel vouchers, as well as other supportive services and case management.
- Established by the Solano County Board of Supervisors, the E&E Outstation Unit came into existence in February of 2015. At that time, the Board of Supervisors envisioned E&E's capacity to offer public assistance services to the Solano County community through various outstation venues. While partnering with other Solano County departments and community organizations, the Eligibility Workers assigned to this outreach effort have been instrumental in developing a vision that continues to unfold and serve Solano County residents. In the short life of this unit, these dedicated workers have touched many needy individuals and families within the Solano County community.
- In January 2016, the CalWORKs Bureau contracted with Fighting Back Partnership (FBP) to provide housing locator services. Approximately ten (10) homeless families have been assisted through FBP. FBP is projected to meet its goal of housing sixty-seven (67) by the end of the FY2016/17.

- Solano County's FFY2015 Welfare to Work Program's (WTW) preliminary Work Participation Rate (WPR) increased to 46.2%, up from 18% in FFY2014.

Welfare Administration:

- An Appeals Specialist position was approved by the Board during FY2015/16 due to the increases in appeals hearings and in order to remain compliant with regulations put forth by the California Department of Social Services.
- To improve efficiency while in the field, SIB Investigators received iPads.

Child Welfare Services:

- CWS has continued to expand the use of Safety Organized Practice (SOP). SOP is family centered with a focus on behavior change, and not solely on services. The three major focuses are engagement, critical thinking, and enhancing safety of youth and families. SOP is utilized in all program areas in Solano County and supported in supervision. One hundred percent of the Social Services Supervisors overseeing program staff are trained. Social Workers use the tools during family meetings, interviewing children, investigation and court documentation, and descriptions at the Hotline. Currently, out of 57 Social Workers, 35 Social Workers are fully trained, 11 have almost completed training and 11 are new workers.
- CWS is required to develop a Case Review process in accordance with instructions from the Children's Bureau of the Administration for Children and Families and the California Department of Social Services (CDSS). Solano County has established a qualitative case review process for the purpose of examining practices and ensuring conformity with Title IV-E and Title IV-B requirements. Case reviews began October 1, 2015. Case reviews now also include a quality assurance function in addition to an extensive online review process and in-depth interviews with individuals involved in the case plan for each case selected for review.
- Effective June 1, 2015, Solano County implemented the Approved Relative Caregiver (ARC) Funding Option Program. ARC funds were allotted to participating counties based on the maximum number of approved relative caregiver placements of eligible children in the county as of July 1, 2014 to augment care for children in the program. Solano County had approximately 41 foster children who were non-federally eligible placed with approved relatives on July 1, 2014. Prior to ARC Program implementation, non-federally eligible children placed with approved relatives were identified. Approximately 31 children were identified and ARC outreach letters, informational pamphlets, and ARC applications were mailed to the approved relative caregivers. As of September 30, 2015, a total of 26 ARC applications have been received, 11 of which are from approved relative caregivers living outside of Solano County. As of December 4, 2015 Solano County has 34 CalWORKs/ARC cases that have been granted. Ongoing outreach efforts continue when children are placed in approved relative placements and denied AFDC-FC funding due to non-federal eligibility determinations.
- In February 2015, Solano County initiated the formation of a Commercially Sexually Exploited Children (CSEC) Steering Committee. The committee is comprised of members from the following agencies: Child Welfare, Probation, Mental Health, Public Health, Juvenile Courts, Substance Abuse, Education, Attorneys, County Counsel, Placement Providers, Law Enforcement, Direct Service Providers, Advocates and Other Community Partners. The Steering Committee Members have been meeting regularly since its initiation and are slated to meet on an on-going basis as it shores up its lead role surrounding the CSEC protocols. The expectation of Solano County's CSEC Steering Committee (led by CWS) is to partner with community agencies and invested parties to collectively stress the importance of providing a continuum of care for CSEC with a wide-range of services made available to them across a number of agencies. These broad-based services are intended to fully address the spectrum of needs for CSEC (current and at risk children) and assist them as they attempt to exit commercial sexual exploitation.
- The results of a Class Action Lawsuit (Katie A.) settled statewide several years ago requires Counties to provide 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 to ensure that children are protected, that services are needs driven, strength based and family focused, that the family voice is assured throughout the process, and that services are culturally respectful and blend formal and informal supports. Services are delivered with a multiagency collaborative approach and individualized so that children have permanency and stability in their living situation. Solano County has worked to develop processes to meet these requirements. CWS along with its partners have continued with quarterly surveys to all Social Workers carrying

cases to ensure that every open case is assessed to determine whether or not they meet criteria. CWS has also rolled out a process for the Social Workers to complete a mental health screening tool for all children entering the system. As of November 2015, there were 95 total subclass members.

- CWS has a shortage of county foster homes with only 6 of the currently licensed 27 homes taking placements. Solano County is highly dependent on the Foster Family Agency network and frequently there are not enough homes in the county to care for foster care children. CWS recently submitted an application and was granted additional funding to recruit, retain and support caregivers. CWS identified strategies such as the return of foster care licensing responsibilities back to the County, from the State, the development of foster care recruitment activities, family finding and engagement efforts, and enhanced support for relative caregivers.
- Solano County had seen an increase in the number of children in the Foster Care/CWS Program residing with kin in the last few years. In September 2013 Solano County had 332 children in placement with 105 being placed with relatives. In September 2014, there were 379 children in placement with 169 residing with a relative. The percentage of children placed with relatives increased from 32% to 45% during that time. However, there has been a recent decline. On July 1, 2015 of the 508 children in out of home placement, 133 resided with a relative, which represents a rate of 26.2% for relative placements.
- CWS has experienced significant staffing challenges that have impacted the full implementation of Intensive Family Reunification Services and all of the federal outcome measures. CWS continues to experience a high turnover in the Social Worker III classification with 14 staff leaving County employment in 2015 of which five had been employed less than two years and four Social Workers less than four years. As of January 2016, there were 16 vacancies out of 71 Social Worker III positions or a 22% vacancy rate. In 2016, H&SS and HR began and implemented new and targeted recruitment tools to address staffing needs and has filled a number of their vacancies with new hires. CWS has also seen a turnover in the Social Services Supervisor classification. In January 2016, there were 13 Social Services Supervisors with seven Supervisors employed less than two years. Also in January 2016, there were two Supervisor vacancies including the Training Supervisor. CWS has also been unable to hire other critical positions such as a Program Manager and a Project Manager. Because of these staffing challenges the Board approved changes to compensation. Vacancies have a direct impact on the Division's practice and performance. The Human Resources Department working with the CWS division has created an online recruitment video specific to the Social Worker III position and has recently conducted an online job fair to recruit for this key position and the department has successfully made a number of job offers.

<u>Older and Disabled Adult Services:</u>

Technological Advances:

- Older and Disabled Adult Services (ODAS) has had a significant year in the utilization of technological advance by making use of technology already available without additional cost, yet substantially beneficial in helping to achieve a paperless goal. ODAS began by utilizing RightFax to send and receive most documents electronically and then incorporated this practice into the Adult Protective Services (APS) investigative process. The Aging and Adult Client Tracking System (AACTS) already had the capacity to maintain and store all APS information relative to an individual investigation with the additional capacity to upload all supplemental information needed to complete an investigation. By fully utilizing the technology, ODAS eliminated the redundancy of storing APS information in both the electronic case management system and paper case files. With all details finely tuned and tested, ODAS successfully implemented a paperless APS program work process, paving the way for the transformation of content management of IHSS case files.
- The TACOMA project has been initiated, so named for the **T**r**A**nsformation of **CO**ntent **MA**nagement of the documents associated with the IHSS program. After more than a year of diligent planning, ODAS employees are eagerly looking forward to full implementation of the IHSS paperless work process by Spring 2016. This new approach will replace paper case files for the IHSS program with an electronic content management system, which would carefully chronicle documents in a manner which will allow for accessibility and records retention.

Interactive Voice Response and Interactive Web Response (IVR/IWR):

- In keeping pace with the ever growing trend of receiving information via automation, ODAS is excited to introduce an IVR/IWR system that will allow customers 24/7 access to their case information without the inconvenience of reaching a human voice when it is not required. This system will allow IHSS recipients and IHSS providers access to personal data associated with their IHSS case file. After inputting a series of identifying information, customers will be able to access answers to questions such as their assigned social worker, amount and date of last payroll information, request duplicate timesheets and W-2s, and much more. This project is in progress, and implementation is planned for Spring 2016.

- The Fraud Detection Unit, also called the Program Integrity Unit, in ODAS continues its close collaboration with its Special Investigations Bureau (SIB) to detect and prevent fraud in the IHSS Program 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 eligible clients has been growing. Since FY2011/12, the Fraud Unit has generated annual cost savings of $2 million in overpayment avoidance.
- ODAS is working with the IHSS Public Authority to increase the number of in-home providers to meet the need of a greater demand for services. The overall referrals and interventions have more than doubled in the past year. More and more IHSS consumers need assistance in finding and hiring IHSS providers. As such, the Public Authority staff has not been able to dedicate as much time to training as staff is focusing their efforts on recruitment to the Registry and processing referrals. In 2015, staff is doubling their efforts on recruitment, and once the goal is reached, they will turn towards training.
- ODAS continues with the implementation of the new rules, effective February 1, 2016, for the Fair Labor Standards Act (FLSA) and ongoing changes. IHSS providers will be paid overtime in accordance with the new rules. Additionally, IHSS providers will be paid for travel time when the provider works for multiple recipients and is required to travel from one job to another job site in the same work day. H&SS is assessing the workload increase generated by the FLSA process requirements and if there is a need for additional staff for FLSA administration, outreach and technical assistance, overtime approval/exception process, and processing of violations.

WORKLOAD INDICATORS

Employment and Eligibility

- In response to the implementation of the Affordable Care Act, E&E established the Center for Healthcare Options and Insurance Coverage Enrollment (CHOICE) call center to accept calls transferred from Covered CA, the State's health plan benefit exchange. In 2015, the CHOICE team answered approximately 900 calls from Covered CA, 689 calls for Solano County residents, and 140 calls for residents of other counties, as part of a mutual backup process between counties. Other counties handled 16 calls for Solano County residents. In addition, CHOICE processed 9,611 applications. E&E offices also experienced increased activity from Medi-Cal in person applications as well as through the online MyBenefitsCalWIN application system. In total from January 1, 2015 to December 31, 2015, the number of Medi-Cal recipients in Solano County increased from 110,736 to 122,455.
- In December 2015, the Division served 126,721 (unduplicated) County residents, up from 78,795 in December 2011, and 65,379 in December 2008, an increase of 94% in a seven-year period.
- In calendar year 2015, the Benefits Action Center (BAC) caseload of ongoing Medi-Cal and CalFresh recipients increased from 34,380 families in January to 40,354 in December, a 17% increase. In calendar year 2015, E&E received applications for an average of 4,192 cases per month, including CalWORKs, CalFresh, Medi-Cal, CMSP and General Assistance.

Child Welfare Services

- CWS receives an average of 308 reports per month for allegations of child abuse and neglect and investigates an average of 182 reports monthly.
- As of December 31, 2015, CWS had 515 children in out of home placement including 92 children in guardian homes, 12 young adults in supportive transition arrangements, 50 children in group homes and 151 children residing with a relative.
- As of October 1, 2015, CWS supervised 85 children in the Family Maintenance program, 203 children in the Family Reunification program, and 53 young adults in Supportive Transition. CWS provided 215 children with Intensive FM/FR Services in 2015.
- CWS finalized forty-seven (47) adoptions in 2015.

Older and Disabled Adult Services

- IHSS requests for services increased to 1,508 in 2015 from 1,268 in 2014 which translates to a 16% increase. As the population increases it is anticipated there will be a steady growth trend upward.
- IHSS maintained an average of 260 active caregivers on the Registry to match with IHSS recipients. This is a 17% increase in available caregivers since last fiscal year, but is still under the goal set for the overall caseload. It is important to have a provider pool around 10% of the IHSS population (about 460 providers), but the IHSS population has increased 31% since 2012, and it is an ongoing challenge to match supply with demand. As providers are added, they are immediately hired by IHSS consumers, making them unavailable to other consumers. To reach a 10% pool, the Public Authority will need to continue to its ongoing efforts to recruit.
- Since the Public Authority implemented a new Registry software in 2014, productivity and efficiency in managing IHSS consumers referred to the Public Authority has significantly improved. Of the 4,662 providers served by IHSS, the Public Authority actively serves 435 of those IHSS consumers with ongoing caregiver hiring and support, while receiving an additional 84 new referrals per month. For the active caseload, Public Authority staff have actively intervened and mediated issues on 82 cases per month to ensure the IHSS consumer remains safe, and the IHSS caregiver receives support.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of $4,462,586 or 4.3% in revenues and $5,823,349 or 5.6% in appropriations when compared to the FY2015/16 Adopted Budget. The County General Fund contribution of $5,343,497 reflects an increase of $703,459 or 15.2% primarily due to increases in salaries and benefits attributable to the cost of administering the General Assistance Program and the Public Guardian/Administrator/Conservator program, as well an increase in the In-Home Supportive Services (IHSS) Program MOE for administration of this program by Older and Disabled Adult Division.

Primary Funding Sources

The primary funding sources for Social Services' 16 major programs are State allocations and federal funds. Federal funding includes: Title IV-E Foster Care and Adoptions Assistance, Title XIX Medi-Cal, Title XIX Health Related (CWS, IHSS and APS), Temporary Assistance for Needy Families (TANF) known as CalWORKs and also used for CWS Emergency Assistance, Title XX Community Services, Title IV-B Promoting Safe and Stable Families (PSSF) and Child Welfare Services Emergency Assistance (TANF) and funds from the Department of Agriculture also known as CalFresh.

State funds are used for the following programs: In-Home Supportive Services (IHSS), California Work Opportunity and Responsibility to Kids (CalWORKs), County Medi-Cal 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 impact of this new funding mechanism is 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, Medi-Cal and CMSP. The County Maintenance of Effort (MOE) for CalWORKs and CalFresh programs is $1,870,052. Once the CalWORKs MOE is met, the funding for these two programs is 100% State and federal Funds. Additionally, County funds are used for the administration costs of the General Assistance Program and for the County's share of the Public Guardian program. The IHSS MOE requirement for administration in ODAS increases by 3.5% every year and is $716,799 for FY2016/17. This amount is paid to the State annually as the County's total share of cost and the cost of the program in excess of this amount is funded by the State and by Title XIX Medi-Cal revenue.

Primary Operating Expenses

Employment and Eligibility Services (BU 7650): recommended appropriations of $63,113,216 includes staff costs dedicated to eligibility determination and welfare-to-work programs and includes, eligibility workers, employment resource workers, social workers, supervisors, clerical staff, accounting staff, managers, and administrators. Programs administered include CalWORKs, Medi-Cal, CMSP, CalFresh, Refugee, General Assistance and Housing Support Programs.

Welfare Administration (BU 7545): recommended appropriations of $6,592,435 includes costs for welfare fraud investigators, appeals specialists, accounting staff, clerical staff, and an administrator who receive reports of potential fraud in all social services programs. Welfare Administration 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.

Child Welfare Services (BU 7600): recommended appropriations of $23,545,446 includes costs for social workers, supervisors, eligibility workers, clerical staff, 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 Adoptions, Foster Care Eligibility, Supportive and Therapeutic Options, Family Preservation, Wraparound Services, Child Abuse Prevention, Transitional Housing Placement Program and contracted Community Services.

Older and Disabled Adult Services (BU 7640): recommended appropriations of $12,036,192 includes costs for 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): recommended appropriations of $4,039,147 that primarily includes the Transitional Housing Assistance Program for emancipated foster youth, the CalWIN database and case management system used to determine eligibility for Assistance Programs, including a contract with Xerox for information technology support/services, other costs covered by the CalWIN allocation, and the Permanent Supportive Housing grant for CalWORKs clients. This budget unit does not have any permanent staff assigned.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	59,346	20	8,801	8,781	43905.0%
INTERGOVERNMENTAL REV STATE	46,517,992	54,466,201	57,825,054	3,358,853	6.2%
INTERGOVERNMENTAL REV FEDERAL	32,850,910	44,818,463	45,330,149	511,686	1.1%
CHARGES FOR SERVICES	875,116	887,269	753,606	(133,663)	(15.1%)
MISC REVENUE	262,214	0	15,000	15,000	0.0%
OTHER FINANCING SOURCES	47,595	51,860	50,330	(1,530)	(3.0%)
GENERAL FUND CONTRIBUTION	4,375,877	4,640,038	5,343,497	703,459	15.2%
TOTAL REVENUES	**84,989,050**	**104,863,851**	**109,326,437**	**4,462,586**	**4.3%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	56,655,023	64,761,508	66,904,281	2,142,773	3.3%
SERVICES AND SUPPLIES	9,800,291	11,828,996	13,491,304	1,662,308	14.1%
OTHER CHARGES	11,527,176	17,133,353	17,909,871	776,518	4.5%
F/A EQUIPMENT	0	90,000	0	(90,000)	(100.0%)
F/A - INTANGIBLES	0	0	600,000	600,000	0.0%
OTHER FINANCING USES	2,280,744	2,540,824	2,554,263	13,439	0.5%
INTRA-FUND TRANSFERS	6,035,870	7,148,406	7,866,717	718,311	10.0%
TOTAL APPROPRIATIONS	**86,299,104**	**103,503,087**	**109,326,436**	**5,823,349**	**5.6%**
NET CHANGE	**1,310,054**	**(1,360,764)**	**(1)**	**1,360,763**	**(100.0%)**

STAFFING					
SOCIAL SERVICES DIVISION	640.65	670.75	678.75	8.00	1.2%
TOTAL STAFFING	**640.65**	**670.75**	**678.75**	**8.00**	**1.2%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2016/17 Recommended Budget for Social Services projects a $4,462,586 net increase in revenues compared to the FY2015/16 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 increase of $703,459.

State, federal and Realignment revenues include an increase of $3,870,539 due to increased funding for cost increases in Eligibility and Employment, Child Welfare Services, Welfare Administration 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. Revenue increases are projected for CalWORKs, Medi-Cal, and Title XIX health related revenue. CalFresh revenues are projected to decrease. Title IV-E federal revenue for Child Welfare programs is projected to increase to cover the federal share of increased staffing with a concurrent increase in 2011 Realignment revenue to cover the State share. Additionally, CWS received additional State General Fund allocations for Case Record Reviews (Post 2011 Realignment CWS Allocation) and for Foster Parent Recruitment, Retention, and Support program and the Commercially Sexually Exploited Children, and Federal Title IV-E revenue also increases as a match to these new State revenues. 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. Reducing vacancies 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 administration of Health Care Reform/Medi-Cal on-going operations and for CalWORKs family stabilization, Welfare to Work, eligibility and housing programs. The FY2015/16 Adopted Budget included the amount of $1,360,764 in Federal Prior Revenue added to the Adopted Budget to reflect the projected receipt of Medi-Cal revenue related to expenditures in FY2014/15. This additional revenue is not included in the FY2016/17 budget which accounts for the difference in revenue increases when compared to total expenditure increases.

County General Fund Contribution is increasing by $703,459 to account for changes in programs that are not funded through federal and State sources. The increases are primarily due to changes in these areas: the annual 3.5% IHSS MOE increase for administering the IHSS program, match for the HUD Permanent Supportive Housing Grant, Public Guardian Administration, General Assistance Administration, and the County share of the IHSS Program Integrity Unit (fraud detection) that is not included in the IHSS MOE.

The FY2016/17 Recommended Budget for the Social Services Divisions projects a $5,823,349 net increase in expenditures compared to the FY2015/16 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 $2,142,773, the net increase is primarily due to increased costs for wages per approved labor contracts, retirement, and health benefits.
- Services and Supplies increased by $1,662,308 primarily due to increases of $771,476 for IT support services and data processing costs, $536,190 for CalWIN system automation projects, $227,034 in contracted services primarily for administering the CalWORKs housing support program, and $465,110 in Other Professional Services primarily for the implemental of Continuum of Care Reform (CCR) and new Resource Family Approval (RFA) process; offset by decreases of $158,000 in building maintenance and $195,140 in software purchases.
- Other Charges increased by $776,518 primarily due to contract increases for CalWORKs client support and contracted services including increases of $432,997 increase primarily for the employment services contracts, $698,979 for housing support services, $115,000 increase for legal services from County Counsel, $24,240 for the In-Home Supportive Services (IHSS) MOE, offset by decreases of $265,330 for CalWORKs ancillary and transportation services in the Family Stabilization program.
- Fixed Assets reflect an increase of $510,000 due to a $600,000 increase for projects related to building a data warehouse and automated scheduling module for the CalWIN eligibility system, and offset by an $80,000 decrease in vehicle purchases.
- Other Financing Uses increased by $13,439 due to decreases of $135,706 in H&SS debt service and $183,655 in Pension Obligation Bonds, and offset by an increase of $332,800 as a transfer out to the Accumulated Capital Outlay fund for work area reconfiguration/renovation projects at the Tuolumne Street, Beck Avenue and Executive Court campuses.
- Intrafund Transfers increased by $718,311 due primarily to increases of $633,406 for H&SS Department overhead, $37,400 in Early and Periodic Screening, Diagnostic and Treatment (EPSDT) match for therapeutic visitation services, $101,538 for substance abuse services through an MOU between E&E and Mental Health (MH); and offset by a $54,033 decrease for an MOU between MH and CWS for substance abuse services.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2015/16 Budget are provided below by program.

Employment and Eligibility Services (E&E)

The Midyear Report approved by the Board on February 9, 2016 included the following changes:

- Deleted 1.0 FTE Program Analyst and added 1.0 FTE Employment and Eligibility Services Manager
- Deleted 1.0 FTE Clerical Operations Supervisor and added 1.0 FTE Clerical Operations Manager
- Added 1.0 FTE Accounting Technician

During the fiscal year the following position changes occurred:

- Added 14.0 FTE Eligibility Benefits Specialist IIs limited term through June 30, 2016
- Added 1.0 FTE Eligibility Benefits Specialist III limited term through June 30, 2016
- Added 1.0 FTE Eligibility Benefits Specialist Supervisor limited term through June 30, 2016
- Deleted 6.0 FTE Employment Resources Specialist IIs
- Deleted 1.0 FTE Employment Resources Specialist III

The Recommended Budget includes the following changes to support the expansion and addition of services in the Division:

- Add 1.0 Social Worker II to provide SSI to screen SSI applications and provide SSI advocacy. Position is funded with federal and realignment revenues.
- Convert 18.0 FTE Eligibility Benefit Specialist IIs limited term to regular FTEs. (*Note: 14.0 limited term FTEs were added in 2016 see above*.) Positions funded with federal and State allocations and County MOE.
- Convert 1.0 FTE Eligibility Benefit Specialist III limited term to regular FTE
- Convert 1.0 FTE Eligibility Benefit Specialist Supervisor limited term to regular FTE
- Delete 8.0 FTE Employment Resources Specialist IIs
- Delete 1.0 FTE Employment Resource Specialist Supervisor

Welfare Administration

The Midyear Report approved by the Board on February 9, 2016 included the changes below. There was no added cost to the County.

- Added 1.0 FTE Appeals Specialist and deleted 1.0 FTE Welfare Fraud Investigator II due to increases in appeals hearings that have resulted from the Affordable Care Act.

Child Welfare Services (CWS)

The Midyear Report approved by the Board on February 9, 2016 included the changes below. The positions are funded with State and federal Title IV-E revenues.

- Added 1.0 FTE Social Services Supervisor to lead, monitor and facilitate the implementation of the Continuum of Care Reform (CCR) and the Resource Family Approval program.
- Added 1.0 FTE Social Worker III to assist in the implementation of the CCR and the Resource Family Approval program by performing assessments of relatives, foster family homes and adoptive homes; provide assistance to strengthen foster parents, resource family and relative caregiver retention, recruitment and training requirements; and provide support strategies.

Older and Disabled Adult Services

The Midyear Report approved by the Board on February 9, 2016 included the changes below. The positions addressed caseload increases in the IHSS program and increases in demand for IHSS Provider Enrollment activities, and to meet the requirements of the Fair Labor Standards Act that require the payment of compensation for overtime, travel time and wait time to IHSS providers.

- Added 1.0 FTE Social Services Supervisor
- Added 1.0 FTE Social Worker II
- Added 1.0 FTE Social Services Worker

The Third Quarter Report approved by the Board on May 10, 2016, included the changes below.

- Extended 0.5 FTE Social Worker II limited term to June 30, 2017

The Recommended Budget includes the changes below.

- Add 1.0 Social Worker II (TBD) to address increase workload due to new requirements of the Fair Labor Standards Act. The position is revenue offset with federal, 2011 Realignment and IHSS MOE (GF).
- Add 2.0 FTE Deputy Public Administrator/Public Guardian/Public Conservatorship to address increasing caseloads in the Public Guardian Unit. These positions are revenue offset with federal, 2011 Realignment, County General Fund and fees. The estimated General Fund cost is $8,967 for each position.

PENDING ISSUES AND POLICY CONSIDERATIONS

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

Employment and Eligibility Services

The Governor's Budget projects a decrease in the Statewide CalWORKs caseload and is also proposing a decrease in the statewide administrative allocation for CalWORKs staffing and services to clients. The County Welfare Director's Association (CWDA) is advocating with the Legislature and the Governor to prevent this reduction to County revenues, and H&SS is assisting in this effort.

The FY2016/17 Recommended Budget assumes that the States' Medi-Cal allocation will be increased based on a Governor's Budget augmentation of $1.67 million statewide. However, Solano's share of this augmentation may not be sufficient to cover expenditures if the trend in Medi-Cal applications continues to increase. Solano's cost is allocated to the Medi-Cal program based on the time studies of eligibility workers to this program and the time study process must be reported accurately for all Social Services programs. The State's cost allocation methodology is not a function that can be controlled by H&SS; and therefore, allocated costs are reported as required which result in overspending of this allocation. CWDA and the State prepare midyear reallocations of funding to alleviate shortfalls in various allocations when possible, but the reimbursement for shortfalls can take as long as 18 to 24 months due to the Department of Health Care Services' delayed process in claiming federal revenues for 100% of county expenditures statewide.

The Governor's Budget projects a decrease in the CalFresh statewide allocation, which will not impact Solano negatively since the FY2016/17 revenue projection does not anticipate full utilization of the projected allocation at the FY2015/16 level.

Child Welfare Services (CWS)

The non-federal share of CWS programs and Adult Protective Services now relies 100% on 2011 and 1991 Realignment revenue which comes from dedicated vehicle license fees and sales tax revenues. The 2011 Realignment funds are intended to cover the State's share of cost in these programs realigned to counties, but may not be sufficient to cover the cost during an economic downturn.

A decrease of $32,000 in revenues is projected for the Children Trust Fund monies that provide funding for contracts with Children's Network and the Family Resource Centers. This reduction may impact community based programs administered through the Child Abuse Prevention Council. The funding is declining primarily due to lower receipts for birth certificate fees.

In early 2012, the Quality Improvement Project, Improving Psychotropic Medication Use in Children and Youth in Foster Care (QI Project) was initiated. The goal of the project is to improve the health of children and youth in foster care with the focus on improving the oversight and monitoring of psychotropic medication use as outlined in the federal Child and Family Services Improvement and Innovation Act of 2011 (P.L. 112-34), required of State Title IV-B agencies as part of their Health Care Coordination and Oversight Plan. Under a data sharing agreement executed between the California Department of Social Services (CDSS) and the Department of Health Care Services (DHCS), CDSS will perform an initial match of the CWS/CMS and a DHCS dataset that contains fee for service and Medi-Cal managed care encounter data of pharmacy paid claim records for all children and wards in foster care who received a psychotropic medication.

Fiscal Impact of AB 403, the Continuum of Care Reform is still unknown. On October 11, 2015, California Governor Jerry Brown signed AB 403 to allow the Department of Social Services (CDSS) to reform child welfare services and implement a continuum of care starting January 1, 2016. The reform initiative will eliminate lower level group homes and put restrictions on the use of out-of-state placements. It establishes a core practice model to govern all services, whether delivered by a county or licensed provider organization, to create consistency and continuity of care. It ensures that medically necessary mental health services will be made available to children and youth in foster care regardless of their placement setting. The provisions of AB 403 began phasing in on January 1, 2016, with some provisions taking effect in later years. AB 403 comprehensively reforms placement and treatment options for youth in foster care. The measure builds upon years of policy changes to improve outcomes for youth in foster care. The reforms in this bill will provide youth with the support they need in foster care to return to their families or to find a permanent home if returning to their families is not an option.

The goal of AB 403 is to make sure that youth in foster care have their day-to-day physical, mental, and emotional needs met; that they have opportunities to grow up in permanent and supportive homes; and that they can grow into self-sufficient, successful adults. Unfortunately, the existing continuum of care placement options for foster youth include long-term group home placements, as well as placements with foster families who do not always receive sufficient professional support to provide care for youth who have complex needs. AB 403 addresses these issues by ensuring that families who provide foster care receive targeted training and support so that they are better prepared to support youth living with them. The bill also advances California's long-standing goal to move away from the use of long-term group home care by increasing youth placement in family settings and by transforming existing group home care into places where youth who are not ready to be placed with families can receive short term, intensive treatment. The measure creates a timeline to implement this shift in placement options, and it calls for the adoption of new standards and performance measures.

SB 1013 (Chapter 35, Statutes of 2012) sought to accelerate achieving permanency and address some redundancies in foster home approval processes by establishing a new Resource Family Approval (RFA) process. This new approval process replaces the existing multiple home approval processes and increases approval standards by incorporating a comprehensive psychosocial evaluation of all families that want to foster, adopt or provide legal guardianship to a child. Consistent with the goals of CCR, the Resource Family Approval process seeks to improve the experience children and youth have in home-based family care placements by further emphasizing the capacity of the caregivers and the quality of parenting they provide to the children and youth in their care. This new approval process needs to be fully implemented by January 1, 2017.

Older and Disabled Adult Services (ODAS)

In September 2013, the US Department of Labor (DOL) implemented a rule requiring the payment of minimum wage, overtime, travel time, and wait time during medical appointments for domestic service employees, which included IHSS providers. Effective February 1, 2016, individual providers in IHSS are now eligible for compensation for over time, travel time and wait time. These new regulations would impact approximately 4,300 Solano County IHSS workers. This new process is expected to impose additional administrative burdens on counties to track, monitor and regulate overtime which requires additional staff. The State has assured counties that the cost of additional staff will not be an increase to the County cost of administering this program. H&SS is assessing the workload increase generated by the FLSA process requirements and if there is a need for additional staff for FLSA administration, outreach and technical assistance, overtime approval/exception process, and processing of violations.

Space allocation for new staff / positions should be addressed with automating work processes, including piloting hoteling concepts.

The Managed Care Organization (MCO) tax was completed by the Legislature and signed by the Governor in 2016. This ensures continuation of the Coordination of Care Initiative (CCI) pilots and that the IHSS MOE will remain in place. The IHSS-MOE is intended to permanently replace the County's share of cost for the administration of the IHSS program in the Older and Disabled Adult Services Division for IHSS provider wages and for IHSS Public Authority Administration. The base year costs to establish the MOE is FY2011/12, and includes an inflation factor of 3.5% effective July 2014. This new approach to funding the IHSS program will include moving collective bargaining with IHSS providers from the local level by 2018. This proposal is contingent upon the success of pilot projects for the State's CCI that 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. If the pilot projects are not successful, the legislation (SB 1036) 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 CCI project has been renewed for the FY2016/17 with seven pilot counties participating, but will be reviewed again in January 2017.

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

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 provides services to the community in various areas of responsibility.

Accomplishments:

- Maintained an average of 260 active caregivers on the Registry to match with IHSS recipients. This is a 17% increase in available caregivers since last fiscal year, but is still under the goal set for the overall caseload. It is important to have a provider pool around 10% of the IHSS population (about 460 providers), but the IHSS population has increased 31% since 2012, and it is an ongoing challenge to match supply with demand. As providers are added, they are immediately hired by IHSS consumers, making them unavailable to other consumers. To reach a 10% pool, the Public Authority will need to continue its ongoing efforts to recruit caregivers for the registry.
- Since the Public Authority implemented brand new Registry software in 2014, productivity and efficiency in managing IHSS consumers referred to the Public Authority has significantly improved. Of the 4,662 providers served by IHSS, the Public Authority actively serves 435 of those IHSS consumers with ongoing caregiver hiring and support, while receiving on average an additional 84 new referrals per month. For the active caseload, Public Authority staff have actively intervened and mediated issues on 82 cases per month to ensure the IHSS consumer remains safe, and the IHSS caregiver receives the support they need.

Challenges:

- Overall referrals and interventions have more than doubled in the past year, and more IHSS consumers are seeking assistance in finding and hiring IHSS providers. The Public Authority staff has had to reduce time allocated to training providers and consumers, in order to focus efforts on recruitment to the Registry and processing referrals. In 2015, staff is doubling efforts on recruitment, and once the goal is reached, staff will dedicate additional time towards training.

WORKLOAD INDICATORS

During the calendar year 2015, the H&SS Public Authority staff received and processed 865 referrals from the Older and Disabled Services program, resulting in 418 successful matches between providers and consumers. The Public Authority's caseload is 435 consumers who require ongoing support. Other services include providing training and support to 660 providers attending IHSS Provider Enrollment Orientation, and managing health benefits paperwork for an average of 1,042 IHSS providers per month.

BUREAU BUDGET SUMMARY

The Recommended Budget represents increases of $476,705 or 5.2% in revenues and $488,021 or 5.4% in appropriations when compared to the FY2015/16 Adopted Budget and reflects the annualized cost of a position approved in 2016.

Primary Funding Sources

The Recommended Budget includes an operating transfer-in of $1,569,618 from the IHSS Public Authority (BU 1521), $3,249,368 in federal and State reimbursements for administrative costs, and $4,760,579 for the required County General Fund match for the IHSS MOE, which is specifically for provider benefits and IHSS-PA administration.

Primary Cost

Primary costs for IHSS Public Authority administration include: $793,524 for Salaries and Employee Benefits, $135,583 for Services and Supplies, which includes a $6,000 contract for Refined Technology, Inc. and $9,400 to provide the Care Tracker System with technical support to manage the registry and administer the health benefits plan along with a $15,000 contract to provide consulting services; $8,539,843 for Other Charges which includes $8,507,859 for the IHSS MOE and $31,984 for A-87 charges and charges from other departments; $23,969 for pension obligation bond costs; and $86,038 for the Bureau's allocated share of H&SS administrations costs

The total County General Fund IHSS MOE of $8,507,859 includes the following: $497,912 for both IHSS PA administration and provider benefits and $8,009,947 for provider wages for FY2016/17.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	0	3,249,368	3,249,368	0	0.0%
MISC REVENUE	1,700	0	0	0	0.0%
OTHER FINANCING SOURCES	702,022	1,352,465	1,569,618	217,153	16.1%
GENERAL FUND CONTRIBUTION	0	4,501,027	4,760,579	259,552	5.8%
TOTAL REVENUES	**703,722**	**9,102,860**	**9,579,565**	**476,705**	**5.2%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	535,728	642,254	793,524	151,270	23.6%
SERVICES AND SUPPLIES	81,090	111,523	135,583	24,060	21.6%
OTHER CHARGES	4,423	8,244,792	8,539,843	295,051	3.6%
OTHER FINANCING USES	22,665	24,533	24,577	44	0.2%
INTRA-FUND TRANSFERS	60,140	68,442	86,038	17,596	25.7%
TOTAL APPROPRIATIONS	**704,046**	**9,091,544**	**9,579,565**	**488,021**	**5.4%**
NET CHANGE	**323**	**(11,316)**	**0**	**11,316**	**(100.0%)**
STAFFING					
IN-HOME SUPPORTIVE SERVICES PA	5.00	6.00	7.00	1.00	16.7%
TOTAL STAFFING	**5.00**	**6.00**	**7.00**	**1.00**	**16.7%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Increases in expenditures have resulted primarily in salaries and employee benefits and a 3.5% increase in the IHSS MOE. The increase in the IHSS Public Authority administration budget due to the increase in IHSS MOE requires additional County General Fund support in (BU 1520) and (BU 7690).

The mechanism changed for accounting of the County's share of the IHSS Public Authority costs due to the implementation of the IHSS MOE in FY2012/13. Instead of having a percentage share of actual expenditures, the County receives a bill each month for the County's IHSS MOE.

The revenue for IHSS Public Authority (BU 7690) administrative costs and related IHSS MOE cost 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. However, the revenue consisting of County General Fund and 1991 Realignment specifically for the IHSS MOE for provider wages are budgeted in (BU 7690), and these costs are not transferred to (Fund 152 – BU 1520). IHSS Provider wages was formerly included in the Public Assistance Division (BU 7900).

SUMMARY OF POSITION CHANGES

The Midyear Report approved by the Board on February 9, 2016 included the addition of 1.0 FTE Social Services Worker.

PENDING ISSUES AND POLICY CONSIDERATIONS

See Pending Issues and Policy Considerations under Public Authority (Fund 152 - BU 1520).

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, General Assistance (GA), Approved Relative Caregiver, and CalFresh Utility payments. The Assistance Programs provide mandated categorical aid to eligible persons based on federal and State 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 FY2016/17 budget includes an estimated General Fund contribution of $2,949,092 based on the current trend in caseload. General Assistance is not always predictable, which makes budgeting for this program a challenge.

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 includes an average caseload of 586 children, an increase of approximately 4% and includes an estimated 3% increase in rates set at the State level.

The cost of Foster Care, KinGAP and County Only Foster Care assistance is projected to increase for an estimated average of 542 foster children served by H&SS per month. This average monthly increase reflects an increase in caseloads, partially due to the impact of AB 12 that extends foster care age limits to 21. Cases in the age group 18 to 20 years of age have increased which means that the number of foster children exiting from care is lower. For example, the Berkeley website that tracks foster care data reports that cases in this age group increased over a two years from 21 cases in January of 2013 to 57 in October of 2015, an increase of 36 foster youth remaining in care. In addition, the intensive family maintenance and reunification services effort by Child Welfare Services staff to reduce new out-of-home placements and to reduce time spent in an out-of-home placement have been hampered by the high vacancy rates in the Child Welfare Services Division. In FY2014/15 the caseloads were decreasing due to this new focus and due to staffing increases during that time frame. In spite of the efforts to recruit social workers, Solano is competing with other counties and agencies to hire social workers from a limited pool of qualified graduates and veteran social workers.

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 FY2016/17. The County now has 100% responsibility for all costs not covered by federal funding. Therefore, 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, the current projection for FY2016/17 sales tax revenue is expected to be sufficient.

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. In addition, with the implementation of AB 85, the State added subaccounts in the 1991 Realignment structures to cover the State's share of the CalWORKs grants. The new accounts are: Family Support Account, which is funded with 1991 Realignment Sales Tax revenues; and the Child Poverty and Child Poverty and Family Supplemental Support, which are funded by Vehicle License Fees. The State also set up an account within the Statewide 1991 Realignment General Growth account that is used to fund COLAs for CalWORKs grants. The State budget projects that this account does not have enough funds to grant a 5% COLA in 2016, and therefore there are no COLA's included in the FY2016/17 Recommended Budget. To the extent that 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 FY2016/17. CalWORKs Assistance budget is projected to decrease in FY2016/17 due to declining caseloads.

During FY2016/17, even with the best projections, there is a possibility that costs for the assistance programs may exceed budgeted appropriations. These increases may require a transfer from General Fund Contingency for any uncovered Assistance costs. 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 overall increases of $3,827,328 or 7.1% in revenues and $3,816,012 or 7.1% in appropriations when compared to the FY2015/16 Adopted Budget. County Contribution of $4,229,607 represents an increase of $151,161 or 3.7%.

The primary funding sources are federal entitlement funds, State funds, State Realignment dedicated funds, and County General Fund (CGF). Federal funds include Foster Care and Adoptions Assistance (Title IV-E), CalWORKs or Temporary Assistance for Needy Families (TANF), and Title XX federal funds.

The primary cost centers for this budget are as follows:

<u>Adoptions Assistance</u>: Recommended appropriation is $6,740,199 funded by $2,742,851 in federal funds and $3,997,348 in 1991 and 2011 Realignment funds, with no CGF.

<u>Foster Care Assistance</u>: Includes Kinship Guardianship Assistance Payment Program (Kin-GAP) (BU 7902) projected at $763,468, Foster Care (BU 7903) projected at $14,249,609, and County Only Foster Care (BU 7908) projected at $92,136 with a combined recommended appropriation of $15,105,213; and funded by $8,148 in State funds, $5,021,645 in federal funds, $9,516,920 in 1991 and 2011 Realignment funds, and $558,500 in CGF.

<u>CalWORKs Assistance</u>: Recommended appropriation is $32,026,836 is funded by $6,469,033 in federal funds, $4,236,258 in State funds and $20,601,178 in 1991 Realignment funds. The CGF portion is $720,367.

<u>Refugee Assistance</u>: Recommended appropriation is $15,120 is funded by $15,120 in federal funds.

<u>General Assistance</u>: Recommended appropriation is $2,949,092 is funded 100% with CGF.

<u>Approved Relative Caregiver</u>: Recommended appropriation is $170,132 is funded with State and federal Funds, and $1,648 in CGF.

<u>IHSS Individual Provider Wages</u>: Recommended appropriation for IHSS MOE is now included in BU 7690, IHSS Public Authority.

<u>Work Incentive Nutritional Supplement (WINS), State Utility Assistance Subsidy (SUAS) and Low Income Home Energy Assistance Program (LIHEAP)</u>: Recommended appropriation of $350,446 is funded with State funds.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	35,754,348	33,355,238	38,815,091	5,459,853	16.4%
INTERGOVERNMENTAL REV FEDERAL	16,757,129	16,096,026	14,312,340	(1,783,686)	(11.1%)
GENERAL FUND CONTRIBUTION	8,767,405	4,078,446	4,229,607	151,161	3.7%
TOTAL REVENUES	**61,278,881**	**53,529,710**	**57,357,038**	**3,827,328**	**7.1%**
APPROPRIATIONS					
OTHER CHARGES	60,241,575	53,541,026	57,357,038	3,816,012	7.1%
OTHER FINANCING USES	1,038,242	0	0	0	0.0%
TOTAL APPROPRIATIONS	**61,279,817**	**53,541,026**	**57,357,038**	**3,816,012**	**7.1%**
NET CHANGE	**935**	**11,316**	**0**	**(11,316)**	**(100.0%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Assistance Programs are funded primarily by Title IV-E (Adoptions and Foster Care), Title XX, and TANF (CalWORKs) federal funds, and 1991 and 2011 Realignment funds. County General Fund Contribution of $4,229,607 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): Includes $294,299 or 4.6% increase in both revenues and appropriations compared to the FY2015/16 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 for a projected 586 Adoptive Families from $932 to $959 per month. Caseload is expected to increase over the year by approximately 4% compared to current caseloads. Additional 2011 Realignment is budgeted for this program and is reducing CGF by $9,713.

Foster Care Program (BU 7903), KinGAP (BU 7902), and County Only Foster Care (BU 7908): Includes $5,061,076 or approximately 50% increase in costs for Foster Care and KinGAP payments budgeted in these three budget units combined for both revenues and appropriations compared to FY2015/16 Adopted Budget. This cost increase is due to Foster Care caseload increases and assumes a 3% increase in rates. These increases are covered primarily by a $3,079,643 increase in 1991 Realignment and a $2,458,705 increase in Federal Aid, offset by a decrease of $542,335 in 2011 Realignment Foster Care Assistance and $67,136 decrease in State revenue. The CGF in these three budgets is increasing by $132,199.

CalWORKs Assistance (BU 7904): Includes $1,963,900 or 5.8% decrease in costs for CalWORKs grants due to projected reductions in caseloads. State and federal revenue is also decreasing by $9,205,704 but is offset by increases of $7,426,920 in the 1991 Realignment funding. CGF is decreasing by $185,116. There are no COLAs projected for FY2016/17 since the Governor's Budget projects that funding in the 1991 Realignment Child Poverty account is not sufficient to cover the COLA statewide.

General Assistance (BU 7907): Includes $212,224 increase in appropriations and in the CGF contribution, which is due to a projected increase in cases to average of 758 per month as compared to the projected cases in the Adopted Budget of 631 average cases per month. The cost per case is projected at an average $376 per month for an average caseload of 758 cases per month. The General Assistance grants are tied to the CalWORKs grant increases and no COLA is included in the projections.

Approved Relative Caregiver (ARC) (BU 7909): Includes $129,868 decrease or 43% in projected costs. This is a new program implemented in June 2015, and is funded for a calendar year, instead of a fiscal year. The State allocation for calendar year 2015 is $198,317, and the 2016 allocation has not been released. The allocation is intended to supplement the payments made for children who are removed from their homes and placed with relatives, who are currently eligible for a CalWORKs grant. The supplement provides support equal to the foster care grant for a child who is not placed with a relative, and the grant is covered with both CalWORKs and ARC funds. If the relative family is not receiving a CalWORKs grant, then the ARC grant is paid 100% from the State General Fund allocation. Any amounts issued in excess of the allocation will be funded with CGF. The State ARC allocation was not available in February 2015 and the FY2015/16 Adopted Budget assumed that the cost would be approximately $300,000. With six months of actual costs available, the FY2016/17 recommended appropriation is $170,132; and the projected State revenue is $98,104. The balance of the cost is covered with federal CalWORKs and Title IV-E funds, with CalWORKs Child Poverty Realignment funds. The CGF is $1,648, and covers the county share of the CalWORKs grants.

Work Incentive Nutritional Supplement (WINS), State Utility Assistance Subsidy (SUAS) and Low Income Home Energy Assistance Program (LIHEAP) (BU 7911): Includes $350,446 increase or 100% in projected costs. Costs for these payments were not budgeted in FY2015/06: This budget unit is used to record the expenditures and revenues for these State programs that assist CalWORKs clients with utility bills and provide a supplement to their monthly CalFresh grant. No CGF is included for these programs.

PENDING ISSUES AND POLICY CONSIDERATIONS

Adoptions: Increases in State mandated rates are driving up the costs of this program and caseload has been increasing. Due to the 1991 and 2011 Realignment statutes, the State has shifted 100% of the non-federal share of cost to counties. If these revenues that depend on sales tax and vehicle license fees are not sufficient to cover the cost increases, CGF may also increase.

Foster Care: Rates may increase significantly in January of 2017 due to the impact of the State legislation AB 403 for the Continuum of Care reform related to Child Welfare Services and Foster Care Assistance programs. The State has not provided information on how rates will change for the new configuration of services that are mandated in this legislation. Since these are post 2011 realignment mandates, the detail of how State General Fund will be allocated to cover the cost of any increased costs has not been provided. Due to the 1991 and 2011 Realignment statutes, the State has shifted 100% of the non-federal share to counties. If these revenues that depend on sales tax and vehicle license fees are not sufficient to cover the increases, CGF may also increase.

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	3,108,035	4,257,181	4,743,973	486,792	11.4%
9600 MHSA	17,643,437	14,944,060	19,640,133	4,696,073	31.4%
7950 TOBACCO PREVENTION & EDUCATION	151,691	199,777	232,829	33,052	16.5%
APPROPRIATIONS					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	3,108,035	4,257,181	4,743,973	486,792	11.4%
9600 MHSA	10,848,629	19,994,917	18,802,707	(1,192,210)	(6.0%)
7950 TOBACCO PREVENTION & EDUCATION	125,388	199,777	232,829	33,052	16.5%
NET CHANGE					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	0	0	0	0	0.0%
9600 MHSA	6,794,808	(5,050,857)	837,426	5,888,283	(116.6%)
7950 TOBACCO PREVENTION & EDUCATION	26,303	0	0	0	0.0%

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.

This budget unit includes administrative costs incurred by the IHSS Public Authority and health benefits plan costs for IHSS providers. The required County General Fund contribution for these functions is budgeted in this fund. This budget unit also reflects the required County General Fund contribution for the 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 in the H&SS Assistance Programs (BU 7900).

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Public Authority administers a supplemental health benefits plan for an average of 1,042 IHSS providers per the IHSS Caregiver Memorandum of Understanding. In July 2015, the Public Authority had a significant waiting list for these benefits, but due to the increase in paid provider hours resulting from the State restoring a 7% service hour cut to IHSS recipients, and a significant decrease in the cost of the plan, the waiting list was eliminated completely.

A significant challenge for FY2015/16 is the implementation of provisions of the Fair Labor Standards Act (FLSA) which includes overtime, wait time, and travel time. As of February 1, 2016, following a court decision and agreement by the State, local providers who work more than 40 hours per week will be paid overtime, wait time during medical appointments as requested by consumers, and travel time between two or more consumers worked that are provided service on the same day. Approximately 1,500 client cases out of 4,800 cases will generate overtime, as the consumers are approved for more than 160 hours per month. Providers will be allowed to work overtime within limits that will be enforced by the County and the State.

WORKLOAD INDICATORS

The dedicated Public Authority (BU 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) (BU 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 (BU 7690).

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of $486,792 or 11.4% in both revenues and appropriations when compared to the FY2015/16 Adopted Budget. The County General Fund Contribution of $539,727 is increasing by $27,365 or 5.3%.

The primary funding source for this Budget is Federal Title XIX (Medi-Cal 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, countywide administrative overhead (A87) for a total projected cost of $3,174,355. In addition, the cost of IHSS PA administration in the amount of $1,071,706 and the cost of the IHSS PA share of the IHSS MOE in the amount of $497,912, for a total of $1,569,618, are transferred to this budget from (BU 7690) for claiming federal and State reimbursement. The County General Fund

Contribution for this part of the IHSS programs of $539,727 increased by $27,365 from FY2015/16 Adopted Budget, of which $16,838 represents increase in IHSS MOE for PA administration and provider benefits.

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. These costs are budgeted in (BU 1520). However, administrative costs are budgeted as an operating transfer out to (BU 7690) where the Public Authority administrative operating staff and expenses are appropriated.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	1,015,003	1,714,716	1,994,499	279,783	16.3%
INTERGOVERNMENTAL REV FEDERAL	1,604,773	2,030,103	2,209,747	179,644	8.8%
GENERAL FUND CONTRIBUTION	488,259	512,362	539,727	27,365	5.3%
TOTAL REVENUES	**3,108,035**	**4,257,181**	**4,743,973**	**486,792**	**11.4%**
APPROPRIATIONS					
OTHER CHARGES	2,406,013	2,904,716	3,174,355	269,639	9.3%
OTHER FINANCING USES	702,022	1,352,465	1,569,618	217,153	16.1%
TOTAL APPROPRIATIONS	**3,108,035**	**4,257,181**	**4,743,973**	**486,792**	**11.4%**
NET CHANGE	**0**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2016/17 budget increase of $261,572 for Provider Health Benefits is based on 1,100 estimated providers to be enrolled to the plan. The cost of the transfer out for Public Authority Administration is increasing by $217,153, and A87 charges have increased by $8,807. Since the implementation of the IHSS MOE, the mechanism for accounting for the County's share of cost has changed. In the past, County General fund, as well as State and federal revenues, were determined as a share of cost based on statutory percentages. 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.

Increases are funded by increases of $179,644 in Federal Health Related (Title XIX) revenue and $279,783 in State revenue. The implementation of the IHSS MOE established the County's share of cost for three components, IHSS program administration, IHSS Public Authority administration and provider benefits, and IHSS provider wages based on FY2011/12 costs. The legislation builds in annual increases of 3.5% to the base IHSS MOE amount starting in FY2014/15.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The IHSS-MOE is intended to permanently replace the County's share of cost for the Administration of the IHSS program in the Older and Disabled Adult Services Division, for IHSS provider wages, and for IHSS Public Authority Administration. The base year costs to establish the MOE was FY2011/12, and there is a built in inflation factor of 3.5% effective July 2014. This change to funding the IHSS program includes moving collective bargaining with IHSS Providers from the local level to the State level by 2018. The plan is contingent upon the success of pilot projects in eight counties for the State's Coordinated Care Initiative (CCI), that 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. If the pilot projects are not successful, the legislation (SB 1036) 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 CCI project has been renewed for the FY2016/17, but will be reviewed again in January 2017.

The implementation of overtime for IHSS providers has a significant increase in cost for the State. Counties do not share in this cost under the IHSS MOE formula. Should a re-evaluation of the IHSS MOE occur, there is exposure in increased cost from overtime costs to the counties.

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. This 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 and monitor progress toward 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 FY2013/14, 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 are providing Mental Health First Aid training, integrated behavioral healthcare based on a model proven to enhance access for underserved populations, and wellness centers that offer a variety of supportive resources and activities in a structured environment that 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 represents an increase of $4,696,073 or 31.4% in revenues and a decrease of $1,192,210 or 6.0% in appropriations when compared to the FY2015/16 Adopted Budget. There is no County General Fund Contribution to this fund. MHSA funds are directly recognized in this fund and transferred to Fund 902 to reimburse MHSA qualifying expenditures.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	134,321	85,888	200,763	114,875	133.7%
INTERGOVERNMENTAL REV STATE	17,509,117	14,858,172	19,428,713	4,570,541	30.8%
CHARGES FOR SERVICES	0	0	10,657	10,657	0.0%
TOTAL REVENUES	**17,643,437**	**14,944,060**	**19,640,133**	**4,696,073**	**31.4%**
APPROPRIATIONS					
OTHER CHARGES	11,491	433	64	(369)	(85.2%)
OTHER FINANCING USES	10,837,138	19,994,484	18,802,643	(1,191,841)	(6.0%)
TOTAL APPROPRIATIONS	**10,848,629**	**19,994,917**	**18,802,707**	**(1,192,210)**	**(6.0%)**
CHANGE IN FUND BALANCE	**(6,794,808)**	**5,050,857**	**(837,426)**	**(5,888,283)**	**(116.6%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The increase of $4,696,073 in revenues is primarily due to an increase of $4,570,541 in State MHSA revenues when compared to the FY2015/16 Adopted Budget. The decrease in appropriations is primarily due to decrease in transfers out to Fund 902 for MHSA program costs.

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 2015, TPEP responded to opportunities to provide technical assistance and data regarding smoke-free policies in three jurisdictions: Suisun City, Vacaville and Solano County. Outcomes included Suisun City adopting a smoke-free events policy for parks and Solano County adopting a comprehensive smoke-free facilities policy that includes a prohibition on the use of electronic smoking devices along with provisions to provide smoking cessation services to County employees and to the general public.
- In May 2015, nine persons, including seven high school and middle school students and two adults, were trained on secondhand smoke, electronic nicotine device aerosols, and availability of tobacco in retail locations in preparation for educational meetings with key officials in Vacaville. These individuals later conducted four educational meetings that included the mayor, three city council members, and the chair of the planning commission.
- In June and July 2015, the Healthy Stores for a Healthy Community subcommittee planned and conducted twenty-one interviews with elected officials, city officials and retailers or representatives of the business community in the cities of Benicia, Fairfield, Suisun and Vacaville to obtain feedback on possible options related to the store environment that would yield positive health outcomes for the community. Options included tobacco retail licensing, a sign policy, and providing favorable publicity for businesses that made changes to make their stores healthier.
- Throughout 2015, the Tobacco Prevention and Education Program collaborated with the Benicia Youth Action Coalition to develop a strategy to gain community and decision-maker support for a policy to reduce storefront advertising of tobacco related products.

WORKLOAD INDICATORS

In November and December 2015, Healthy Stores for a Healthy Community subcommittee members conducted surveys with ten owners or managers of small convenience stores located in Fairfield, Suisun City, Benicia and Vallejo and obtained their commitment to making voluntary changes in their stores such as product placement (healthier products at check-out counter) and/or removal of signs promoting unhealthy foods and beverages.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an overall increase of $33,052 or 16.5% in both revenues and appropriations when compared to its FY2015/16 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.

See related Budget Unit 9290 – Fund 390 Contingencies (refer to Contingencies section of the Budget).

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	592	300	300	0	0.0%
INTERGOVERNMENTAL REV STATE	150,000	199,477	232,529	33,052	16.6%
CHARGES FOR SERVICES	1,099	0	0	0	0.0%
TOTAL REVENUES	**151,691**	**199,777**	**232,829**	**33,052**	**16.5%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	376	376	0	(376)	(100.0%)
SERVICES AND SUPPLIES	20,665	55,051	94,107	39,056	70.9%
OTHER CHARGES	836	2,903	2,367	(536)	(18.5%)
OTHER FINANCING USES	103,512	141,447	136,355	(5,092)	(3.6%)
TOTAL APPROPRIATIONS	**125,388**	**199,777**	**232,829**	**33,052**	**16.5%**
CHANGE IN FUND BALANCE	**(26,303)**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

There are no significant pending issues or policy considerations regarding the Tobacco Prevention and Education Fund for FY2016/17.

First 5 Solano Children & Families Commission

Health and Well Being
- Prenatal
- Children's Health Insurance
- Early Childhood Mental Health Services

Early Care and Education
- Pre-Kindergarten Academies
- High Quality Early Care and Education

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

Systems Change
- Provider Capacity Development
- Leverage Financial Resources
- System Integration
- Legislative and Public Affairs

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 taxes on the sale 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, which decline over time, cannot be used to supplant existing programs and/or services.

First 5 Solano's strategic investments are used to support additional leveraged funds in local, state, federal and foundation dollars for Solano County's youngest children.

First 5 Solano provides funding for community-based services that address the health, well-being, social, cognitive, academic, emotional and 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:	
FY2015/16 Third Quarter Projection:	5,453,703
FY2016/17 Recommended:	4,758,106
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	7

FUNCTION AND RESPONSIBILITIES

First 5 Solano funds local community organizations, government agencies, and school districts which offer programs and services that align with the following Strategic Plan Priority areas and initiatives:

- Health and Well-Being, including early childhood mental health, prenatal and children's health services
- Early Childhood Learning and Development, including early care and education quality improvement, pre-Kindergarten academies, wraparound childcare services, and a childcare facility
- Family Support and Parent Education, including family strengthening services through neighborhood based family resource centers

In addition to direct services, First 5 Solano also provides systems building cross initiative approaches, including funding a referral call center known as Help Me Grow Solano to increase the connection of young children to services; a Collective Impact initiative to align activities within the early childhood system; and a data collection/reporting system for its grantees.

Lastly, First 5 Solano has a newly adopted Strategic Plan Priority Area of *Systems Change* with the goal of strengthening, integrating, expanding, and sustaining the early childhood system. Activities in this Priority area will include cross system collaboration, increasing capacity of early childhood providers, and expanding financial resources for the early childhood system.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Completed an 18-month strategic planning process and adopted three new foundational documents:
  - The 2016 Strategic Plan Update is the cornerstone of the Commission's work. It details the Commission's Mission, Vision, Core Values & Principles upon which it makes its decisions. The plan also includes the Commission's Strategic Plan Framework, which details the priority areas, goals and results that the Commission sets to achieve. This Strategic Plan reflects the Commission's evolution in its work, including the shift in focus to strongly support changes to existing early childhood systems that improve the lives of children.
  - The 2016 Long-Term Financial Plan Update (LTFP) provides the financial background and support to the Commission's Strategic Plan. It provides long-term projections for funding priorities, and helps the Commission better understand the long-term financial impact of its investments. The LTFP details the fiscal assumptions upon which the plan was formulated, the financial results of the Commission's decisions and the future fiscal landscape. This LTFP also reflects the shift toward investments in systems change.
  - The 2016-2018 Program Investment Plan documents the funding committed to a two-year cycle. This plan includes tables with summary spending, as well as investments by strategic plan goal area/strategy. This plan also reflects the Commission's evolution in its work, including the shift in focus to strongly supporting systems change. While the Commission's funds are relatively limited compared to years past, the Commissioners continue to be thoughtful, intentional and strategic in crafting a plan designed to carry First 5 Solano and its community through the next two years.
- Received award of over $1 million over 5 years from First 5 California to implement a quality improvement program with early care and education providers known as IMPACT. Established partnership with Solano County Office of Education to implement the program in conjunction with the Quality Rating and Improvement System in which they were awarded two grants totaling over $400,000 through the California Department of Education.
- Implemented the first full year of the Help Me Grow call center—a national model to connect young children and families to needed services in their community.
- Provided services to nearly 10,000 Solano residents, including children, parents/caregivers, and providers of services to young children.
- Funded services in the community to improve outcomes for children, such as:
  - Kept approximately 150 young children at risk of foster care system involvement safely in their homes and communities through neighborhood-based, multi-disciplinary team home visiting and case conferencing through a partnership between the local Family Resources Centers, Public Health, and Child Welfare Services.
  - Supported affordable access to health insurance coverage for over 900 young children.
  - Provided over 550 children pre-kindergarten educational opportunities through Pre-Kindergarten Academies. The children showed improvements in social emotional and cognitive skills and were more prepared to enter Kindergarten.

WORKLOAD INDICATORS

- During the period of July 1, 2015 – June 30, 2016, First 5 Solano managed over 45 contracts and Memorandums of Understanding for nearly $5 million, which provided services to nearly 10,000 Solano residents.
- Offered multiple opportunities for the community to engage in small grants for community engagement events, co-sponsorship of trainings and conferences, grant-writing, and business engagement.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FIRST 5 SOLANO	4,487,496	4,278,213	4,109,744	(168,469)	(3.9%)
TOTAL REVENUES	**4,487,496**	**4,278,213**	**4,109,744**	**(168,469)**	**(3.9%)**
APPROPRIATIONS					
FIRST 5 SOLANO	6,395,838	6,862,167	4,758,106	(2,104,061)	(30.7%)
TOTAL APPROPRIATIONS	**6,395,838**	**6,862,167**	**4,758,106**	**(2,104,061)**	**(30.7%)**
CHANGE IN FUND BALANCE					
FIRST 5 SOLANO	1,908,342	2,583,954	648,362	(1,935,592)	(74.9%)
CHANGE IN FUND BALANCE	**1,908,342**	**2,583,954**	**648,362**	**(1,935,592)**	**(74.9%)**

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 a decrease of $168,469 or 3.9% in revenues and a decrease of $2,104,061 or 30.7% in appropriations when compared to the FY2015/16 Adopted Budget.

To implement the 2016-2018 Program Investment Plan, First 5 Solano will be contracting for $2.4 million annually in services and programs. In addition, the Department will be implementing several internal programs and funds including community engagement, co-sponsorship of trainings and conferences, and systems change.

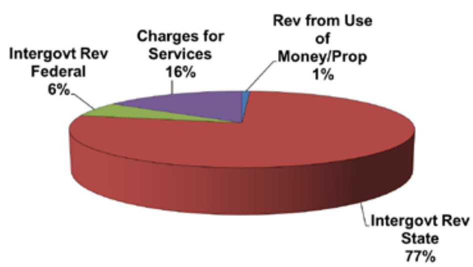
The primary funding source for First 5 Solano, Proposition 10 Tobacco Tax, continues to decline as expected. This is the primary source of the 4% decrease in revenues. Over the past 10 years, the Commission has been strategically spending its reserves to supplement the ongoing revenue to provide expanded services in the community. As the reserves have decreased in recent years, the Commission chose to significantly decrease expenditures with the intent of bringing expenditure levels more closely in line with ongoing revenues.

See related Budget Unit 9153 – Fund 153 Contingencies (refer to Contingencies section of the Budget).

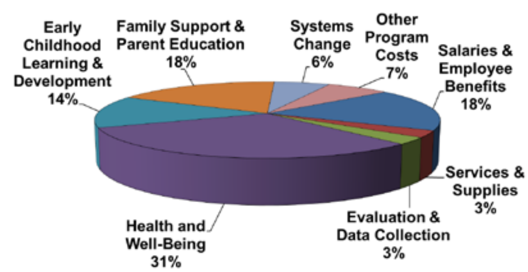
DEPARTMENTS COMMENTS

None.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	50,755	32,060	35,656	3,596	11.2%
INTERGOVERNMENTAL REV STATE	3,505,813	3,311,173	3,176,200	(134,973)	(4.1%)
INTERGOVERNMENTAL REV FEDERAL	237,756	241,313	251,047	9,734	4.0%
CHARGES FOR SERVICES	653,240	673,667	641,841	(31,826)	(4.7%)
MISC REVENUE	39,931	20,000	5,000	(15,000)	(75.0%)
TOTAL REVENUES	**4,487,496**	**4,278,213**	**4,109,744**	**(168,469)**	**(3.9%)**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	960,018	991,671	862,817	(128,854)	(13.0%)
SERVICES AND SUPPLIES	206,823	209,980	131,485	(78,495)	(37.4%)
OTHER CHARGES	5,196,777	5,592,720	3,736,928	(1,855,792)	(33.2%)
OTHER FINANCING USES	32,218	67,796	26,876	(40,920)	(60.4%)
TOTAL APPROPRIATIONS	**6,395,838**	**6,862,167**	**4,758,106**	**(2,104,061)**	**(30.7%)**
CHANGE IN FUND BALANCE	**1,908,342**	**2,583,954**	**648,362**	**(1,935,592)**	**(74.9%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

As mentioned above, the FY2016/17 Recommended Budget is a nearly one third decrease from the FY2015/16 Adopted Budget in an intentional effort to create a sustainable funding model for First 5 Solano. To facilitate that change, the Commission underwent an 18-month Strategic Planning process whereby they updated their Strategic Plan, Long Term Financial Plan, and Program Investment Plan to reconfirm/revise Priority Areas and Goals and overall funding strategy. During the course of this process, the Commission modified funding in the following main areas:

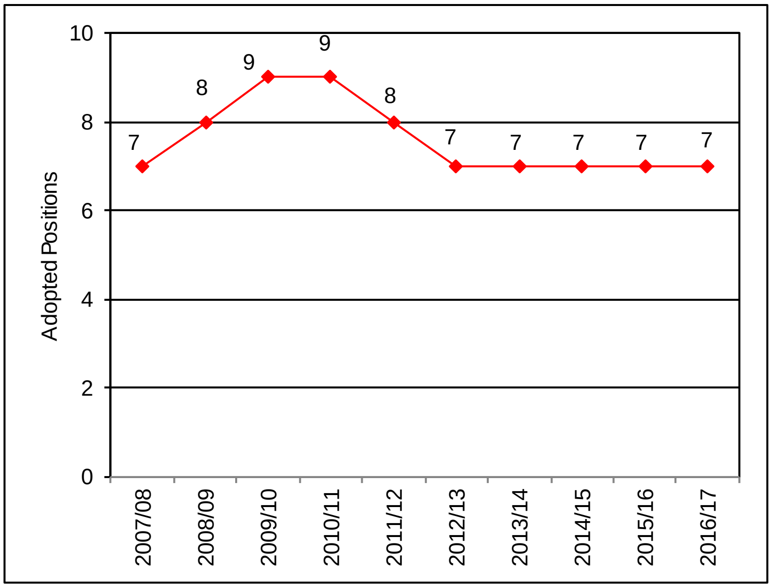
- Decreased administration, staff and operating expenses.
- Transitioned funding for the BabyFirst Solano Health Families America program to Health & Social Services.
- Integrated funding for Parent Education services within family resource centers.
- Reduced funding for children's health insurance enrollment.
- Defunded the Commission's discretionary fund.

The summation of these changes led to a 30.7% decreased in the FY2016/17 Recommended Budget from the FY2015/16 Adopted Budget decreasing the reliance on the Commission Reserves from approximately $2 million annually to an estimated $600,000 in FY2016/17.

SUMMARY OF POSITION CHANGES

There are no changes in the position allocation.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

First 5 Solano is continuing to seek ways in which the early childhood system can be sustained and even expanded as First 5 Solano revenues and reserves are declining. First 5 Solano will be engaging in Systems Change work with its grantee and community partners to identify specific actions, such as increasing the capacity of early childhood providers, identifying new funding sources or leveraged dollars, integrating systems, and legislative and policy changes.

The FY2016/17 Recommended Budget includes expenditures for 7.0 FTE with anticipated salary savings. First 5 Solano is currently reassessing its internal workload to meet the requirements as established by the newly adopted plans referenced above.

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1570 GRANTS/PROGRAMS ADMIN	795,077	785,289	620,657	(164,632)	(21.0%)
APPROPRIATIONS					
1570 GRANTS/PROGRAMS ADMIN	761,805	785,366	620,657	(164,709)	(21.0%)
CHANGE IN FUND BALANCE					
1570 GRANTS/PROGRAMS ADMIN	33,272	(77)	0	77	(100.0%)

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

DEPARTMENTAL PURPOSE

This budget unit was established to track CAO/First 5 Solano's administration, and program cost related to Solano Children's Alliance and has expanded to include other Board of Supervisor approved programs/contributions outside of the scope of First 5 Solano Children and Families Commission such as management of the Family Resource Center contracts.

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 improving 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 by the California Department of Education.

In addition to the contracts mentioned above, in FY2014/15, CAO/First 5 Solano assumed responsibility for management of a number of General Fund funded family support contracts for families with children aged 6-18. These contracts were formerly administered by the Health and Social Services Department. First 5 Solano 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.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Provided safety net services through Family Resource centers to approximately 2000 children and families.
- Completed a Foundation Study Report which revealed that while overall foundation giving is up in the Bay Area from 2006, giving in Solano County has remained stagnant at $3 per capita.

WORKLOAD INDICATORS

Maintained nine direct service contracts.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents a decrease of $164,632 or 21.0% in revenues and a decrease of $164,709 or 21.0% in appropriations when compared to the FY2015/16 Adopted Budget. The primary source of the decrease in both revenues and appropriations is a delay in recommendations for the allocation of the Children's Trust Fund for FY2016/17 from the Children's Alliance, in part because of reduced Trust Funds.

The Recommended Budget includes First 5 Commission and staff recommendations for Board consideration as it relates to services for at risk children and high risk families for a General Fund Contribution of $620,657 which is a $45,000 decrease from the FY2015/16 Adopted Budget. The General Fund Contribution includes $118,750 for the SCA/CAPC, $439,407 for the FRC contracts, $12,500 for the Local Child Care Planning Council, and $50,000 for contract management. The General Fund decrease of $45,000 represents a decrease of $25,000 for a contribution toward Baby Coach which is no longer active and a decrease of $20,000 due to one-time funding for a foundation study report.

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

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	634	0	0	0	0.0%
CHARGES FOR SERVICES	118,814	94,632	0	(94,632)	(100.0%)
MISC REVENUE	29,972	25,000	0	(25,000)	(100.0%)
GENERAL FUND CONTRIBUTION	645,657	665,657	620,657	(45,000)	(6.8%)
TOTAL REVENUES	**795,077**	**785,289**	**620,657**	**(164,632)**	**(21.0%)**
APPROPRIATIONS					
SERVICES AND SUPPLIES	0	20,000	0	(20,000)	(100.0%)
OTHER CHARGES	761,805	765,366	620,657	(144,709)	(18.9%)
TOTAL APPROPRIATIONS	**761,805**	**785,366**	**620,657**	**(164,709)**	**(21.0%)**
NET CHANGE	**(33,272)**	**77**	**0**	**(77)**	**(100.0%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The Recommended Budget represents a decrease of $94,632 from FY2015/16 Adopted Budget in revenues and appropriations from Children's Trust Fund allocation. The SCA is responsible for making recommendations on the use and appropriation from Children's Trust Fund which has been facing a decline in birth certificate fees and donations. The SCA has not yet provided a recommendation for an appropriation from the Trust Fund for FY2016/17.

The General Fund Contribution of $620,657 for the Family Resource Centers and Coordination, Children's Alliance, the Local Childcare Planning Council, and contract management decreased $45,000 from the FY2015/16 Adopted Budget due to the conclusion of the Baby Coach Program and the Foundation Study.

PENDING ISSUES AND POLICY CONSIDERATIONS

Traditionally, the Children's Network and the Family Resource Centers receive funding from the County General Fund and Children's Trust Fund to support the SCA and the Family Resource Center Network. One of the responsibilities of the SCA is to make recommendations regarding the use of the Children's Trust Fund which has not yet been done for FY2016/17. In addition, the Children's Trust Fund revenues have been declining over the last few years so the decline in these funds may lead to a decline in Family Resource Center services.

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:	
FY2015/16 Third Quarter Projection:	604,084
FY2016/17 Recommended:	651,951
County General Fund Contribution:	396,951
Percent County General Fund Supported:	60.9%
Total Employees (FTEs):	6

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 CVSO 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 for and on behalf of veterans.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Solano County Veteran Service Office over the last year has successfully increased its levels of service and has been rated as the number one office in the state out of 58 counties in the veteran participation rate. This participation rate measures the level of veterans that are participating in the compensation and pension process in Solano County. The national level of veterans participating in their veteran's benefits is 17 percent as is the state of California. Solano County is currently at 30.2 percent in the number of veterans taking advantage of the benefits they have earned by serving our county. The CVSO is also number one in the state for average new dollars brought into the county through claim filing and awards. The CVSO brought in $26 million new dollars into the pockets of veterans and dependents by filing 3,945 claims that resulted in an average of $6,798 per claim during the last reporting period. Again, this ranked Solano County as number one in the State. Keeping existing staffing is essential in maintaining this excellent performance and to keep the Federal dollars flowing into the County.

WORKLOAD INDICATORS

This CVSO work load has increased from an average of 54 veterans per day in 2015 to 57 veterans a day in 2016. To continually serve this population at this higher daily average rate, at its Third Quarter Budget Hearing in May, the Board approved extending the limited term Veterans Services Counselor position to June 30, 2017 with the anticipation that the CVSO will receive $222,836 in revenues from the State to fund the position.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
VETERANS SERVICES	271,147	243,000	255,000	12,000	4.9%
TOTAL REVENUES	**271,147**	**243,000**	**255,000**	**12,000**	**4.9%**
APPROPRIATIONS					
VETERANS SERVICES	523,503	583,379	651,951	68,572	11.8%
TOTAL APPROPRIATIONS	**523,503**	**583,379**	**651,951**	**68,572**	**11.8%**
NET COUNTY COST					
VETERANS SERVICES	252,356	340,379	396,951	56,572	16.6%
NET COUNTY COST	**252,356**	**340,379**	**396,951**	**56,572**	**16.6%**
STAFFING					
VETERANS SERVICES	4	6	6	0	0.0%
TOTAL STAFFING	**4**	**6**	**6**	**0**	**0.0%**

DEPARTMENTAL BUDGET SUMMARY

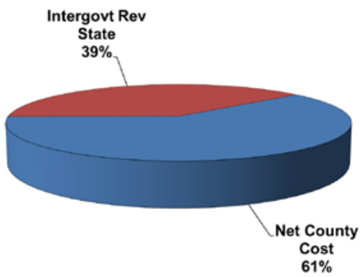
The CVSO is primarily funded by the General Fund. Expenditures are largely due to Salaries and Employee Benefits. Revenues are received from the State through a Subvention program that provides $5.6 million statewide to help offset costs to the counties for providing services to veterans. This funding is distributed based on individual counties' workload data. Solano County has consistently ranked in the top counties for workload and consequently received Subvention revenues.

The Recommended Budget represents an increase of $12,000 or 4.9% in revenues, from the state to provide increased veteran services activities and an increase of $68,572 or 11.8% in appropriations when compared to the FY2015/16 Adopted Budget and includes the Board approved extension of a limited term position funded in part with funds from the State received in FY2015/16 and anticipated in FY2016/17. Other major increases over FY2015/16 include County overhead that increased $14,588 and central data processing services that increased $35,126 for additional computer logins.

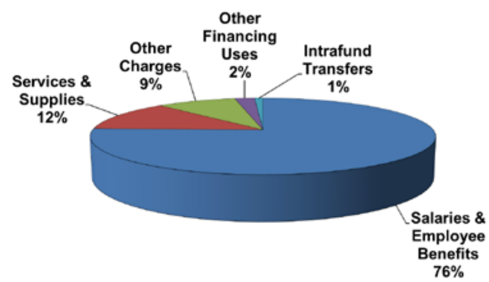
DEPARTMENT COMMENTS

None.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2014/15 ACTUAL	2015/16 ADOPTED BUDGET	2016/17 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	271,147	243,000	255,000	12,000	4.9%
TOTAL REVENUES	**271,147**	**243,000**	**255,000**	**12,000**	**4.9%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	420,144	468,623	492,667	24,044	5.1%
SERVICES AND SUPPLIES	50,557	47,550	81,789	34,239	72.0%
OTHER CHARGES	26,677	42,640	57,231	14,591	34.2%
OTHER FINANCING USES	15,444	18,566	14,264	(4,302)	(23.2%)
INTRA-FUND TRANSFERS	10,682	6,000	6,000	0	0.0%
TOTAL APPROPRIATIONS	**523,503**	**583,379**	**651,951**	**68,572**	**11.8%**
NET COUNTY COST	**252,356**	**340,379**	**396,951**	**56,572**	**16.6%**

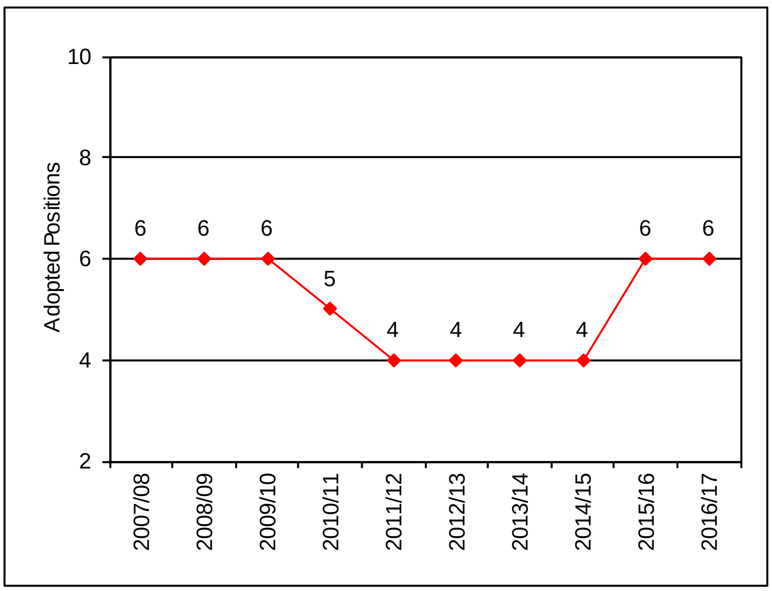
SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

During Third Quarter, May 10, 2016, a limited term Veterans Benefits Counselor position was extended to June 30, 2017 in anticipation of a renewal of funds from the State of California.

STAFFING TREND



PENDING ISSUES AND POLICY CONSIDERATIONS

Given the continued increase of veterans served by CVSO, it is important for the County to continue to advocate for more funds from the State of California.

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