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:	
FY2016/17 Third Quarter Projection:	314,371,094
FY2017/18 Recommended:	343,151,694
County General Fund Contribution:	29,987,975
Percent County General Fund Supported:	8.7%
Total Employees (FTEs):	1,326.30

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, and Older and Disabled Adult Services (ODAS) which includes the Public Guardian's Office and In-Home Supportive Services (IHSS) 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, and 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 care services (In-Home Supportive Services (IHSS)), the investigation and prevention of elder abuse and neglect, and assistance accessing Medi-Cal (See glossary for definition), Cal-Fresh (See glossary for definition) and cash assistance programs. ODAS IHSS staff provide coordinated case management services which includes program eligibility, intake assessments, annual reassessments, community referral resources, payroll assistance, and referrals to the IHSS Public Authority (BU 7690) for recipient – provider matching services. 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. ODAS to integrated under the Public Health Division in 2015.

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. Proposition 63 - the Mental Health Services Act (MHSA) (See glossary for definition), 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 to assist with this work and supportive housing. The Substance Abuse program provides assessment and authorizations for treatment services which are provided by a number of community-based organizations, and prevention, intervention, and recovery services to combat alcoholism and other drug addictions, and support the work of Drug Courts and the Veterans' Court.

Health Services (BU 7880) includes Public Health and Medical Services Divisions. The Public Health Division provides mandated community health services to promote a healthy environment for all County residents. The services include support to Public Health Laboratory testing, Public Health Nursing and home visiting, Communicable Disease surveillance, and Maternal, Child and Adolescent Health programs. Medical Services Division is comprised of Medical Emergency Services and Family Health Services (FHS). 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 California Work Opportunity and Responsibility to Kids (CalWORKs) (See glossary for definition), Refugee Resettlement, Adoptions Assistance Program, Foster Care Assistance, General Assistance (GA) funding, Approved Relative Caregiver (ARC) funding, Work Incentive Nutritional Supplement (WINS), State Utility Assistance Subsidy (SUAS), and Low Income Home Energy Assistance Program (LIHEAP). H&SS also administers the CalFresh (See glossary for definition) program eligibility; however, CalFresh (food subsidizes) benefits are issued directly to the recipient via a debit card from the State thus these costs are not included in the County budget.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2015/16 ACTUALS	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
ADMINISTRATION DIVISION	1,585,173	2,434,094	1,523,075	(911,019)	(37.4%)
BEHAVIORAL HEALTH DIVISION	62,228,092	74,901,231	78,118,300	3,217,069	4.3%
SOCIAL SERVICES DIVISION	86,891,504	105,615,222	106,109,970	494,748	0.5%
IHSS - PA ADMINISTRATION	4,097,732	4,818,986	6,022,647	1,203,661	25.0%
PUBLIC ASSISTANCE PROGRAMS	50,082,408	53,127,431	48,544,431	(4,583,000)	(8.6%)
HEALTH SERVICES DIVISION	60,351,507	77,508,952	67,710,463	(9,798,489)	(12.6%)
GENERAL FUND CONTRIBUTION	24,531,022	25,372,982	29,987,975	4,614,993	18.2%
TOTAL REVENUES	**289,767,438**	**343,778,898**	**338,016,861**	**(5,762,037)**	**(1.7%)**
APPROPRIATIONS					
ADMINISTRATION DIVISION	3,833,563	4,692,311	3,821,015	(871,296)	(18.6%)
BEHAVIORAL HEALTH DIVISION	71,964,178	83,635,030	85,771,974	2,136,944	2.6%
SOCIAL SERVICES DIVISION	91,407,164	109,708,727	112,014,588	2,305,861	2.1%
IHSS - PA ADMINISTRATION	8,598,759	9,579,565	15,113,855	5,534,290	57.8%
PUBLIC ASSISTANCE PROGRAMS	54,160,855	57,357,038	52,525,069	(4,831,969)	(8.4%)
HEALTH SERVICES DIVISION	60,421,983	79,213,915	73,905,193	(5,308,722)	(6.7%)
TOTAL APPROPRIATIONS	**290,386,502**	**344,186,586**	**343,151,694**	**(1,034,892)**	**(0.3%)**
NET CHANGE	**619,064**	**407,688**	**5,134,833**	**4,727,145**	**1159.5%**

STAFFING					
ADMINISTRATION DIVISION	91.00	94.00	96.00	2.00	2.1%
BEHAVIORAL HEALTH DIVISION	212.70	203.20	205.70	2.50	1.2%
SOCIAL SERVICES DIVISION	670.75	678.75	686.25	7.50	1.1%
IHSS - PA ADMINISTRATION	6.00	7.00	6.00	(1.00)	(14.3%)
PUBLIC ASSISTANCE PROGRAMS	0.00	0.00	0.00	0.00	0.0%
HEALTH SERVICES DIVISION	293.45	313.60	332.35	18.75	6.0%
TOTAL STAFFING	**1,273.90**	**1,296.55**	**1,326.30**	**29.75**	**2.3%**

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents decreases of $5,762,037 or 1.7% in revenues, which includes County General Fund Contribution and a reduction transfers from reserves, and $1,034,892 or 0.3% in appropriations, which includes a 100% reduction in transfers to reserves, when compared to the FY2016/17 Adopted Budget.

The General Fund Contribution of $29,987,975 increased by $4,614,993 or 18.19% due to increases of $533,333 to Social Services and $4,330,629 to IHSS Public Authority, offset by a decrease of $248,969 to the Assistance Programs.

Primary Funding Sources

The primary funding sources for H&SS are federal and State Program revenues of approximately $168.95 million (49% of total); 1991 Realignment (See glossary for definition) a Statewide revenue - $54.7 million; 2011 Public Safety Realignment (See glossary for definition) a Statewide revenue - $28.04 million; and in Charges for Services estimated at $30.06 million in reimbursements for services. The County General Fund contribution of $29,987,975 represents 8.7% 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. The first method is 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. The second method is through 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 (A87) 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 FY2017/18, direct charges from other County departments plus Countywide Administrative Overhead total $21.7 million of which 91%, 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, Early Periodic Screening Diagnostic and Treatment (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 (State sales tax and vehicle license fees) 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, 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 (MOE) 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. The FY2017/18 Recommended Budget includes $54.7 million in 1991 Realignment funds that will be drawn down and recognized as revenues.

1991 Realignment funds are allocated to three main areas:

- Health Services – a portion of the Health Realignment funding (approximately $6.9 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 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 following the Federal approval of the Affordable Care Act and state adoption of the medical-expansion and Healthcare Exchange, 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 $9.2 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 anticipated that County costs and responsibilities for healthcare services for the indigent population would decrease because a majority of this population, previously uninsured, would now 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 these 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 $28.04 million in 2011 Realignment funds for FY2017/18. 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.

County General Fund

The FY2017/18 Recommended Budget includes a County General Fund contribution in the amount of $29,987,975, an increase of $4,614,993 when compared to the FY2016/17 Adopted Budget. The growth is comprised of the following:

- $533,333 increase in Social Services (BU 7680) due to the increase in the County share of IHSS administration costs as a result of the discontinuance of the IHSS MOE effective July 1, 2017.
- $4,330,629 increase in IHSS-Public Authority (BU 7690) to over the increase in the County share of IHSS Public Authority administration and IHSS provider wages as a result of the discontinuance of the IHSS MOE effective July 1, 2017.
- $248,969 decrease in Assistance Programs (BU 7900) due to decreases in General Assistance costs and CalWORKs offset by increases in Foster Care costs.

The County General Fund Contribution of $29,987,975 is appropriated with $3,980,638 funding the Assistance Programs, and $26,007,337 funding the following operations in H&SS:

- $2,844,528 for required Maintenance of Efforts for Public Health, California Children's Services, Mental Health, and CalWORKs Administration.
- $809,548 for the required CMSP participation fee.
- $10,691,694 in mandatory match or County share of costs for federal/State programs for Child Welfare Services, CalWIN and IHSS administration and provider wages.
- $5,704,565 for mandated substance abuse adult psychiatric outpatient and inpatient services.
- $3,004,319 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.
- $2,091,132 for principal payments related to debt service and other administrative costs that are non-claimable.
- $861,551 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 $3,821,015 in appropriations which recovers most costs through administrative overhead intrafund transfers.
- Social Services (BU 7680) includes $112,014,588 in appropriations which includes Employment and Eligibility Services and CARES serving Children and Adults.
- IHSS Public Authority (BU 7690) includes $15,113,855 in appropriations which is a function of Social Services and includes provider wages.
- Behavioral Health (BU 7780) includes $85,771,974 in appropriations which includes Mental Health and Substance Abuse.
- Health Services (BU 7880) includes $73,905,193 in appropriations which includes Public Health and Medical Services.
- Assistance Programs (BU 7900) includes $52,525,069 in appropriations which includes above reference assistance programs.

Other Administered Budgets not part of Fund 902 includes $5,303,697 for the IHSS Public Authority (Fund 152 - BU 1520), $795,162 in appropriations for Tobacco Prevention and Education (Fund 390 - BU 7950) and a transfer out of $20,549,657 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.

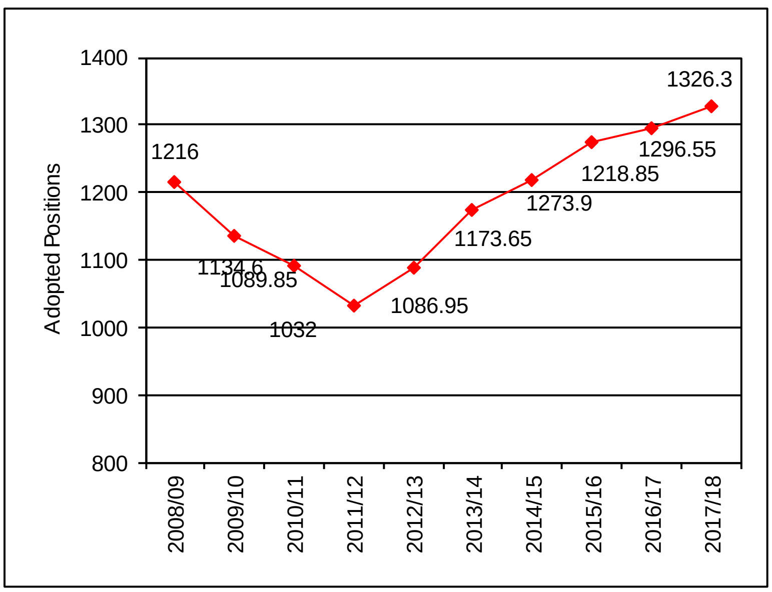
DEPARTMENT COMMENTS

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 five H&SS divisions in various program areas. The Administration Division includes Budget and Financial Management, Administrative Support Bureau, Research and Planning Unit, Community Services and Coordination, Compliance Unit, Contracts Management, and Business Services Administration which includes Employee Services, Recruitment, and Department Wide Training.

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

The Administrative Support Bureau (ASB) 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.

Business Services Administration

Business Services Administration oversees H&SS employee hiring 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 and 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 including Federally mandated HIPAA compliance. 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 523 contracts and service agreements with a value of approximately $158 million.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Effective January 2017, H&SS launched an office/mobile worker Hoteling Pilot Program with several Divisions which provided cost-effective, efficient, and flexible-use office space to improve service delivery to clients. Approximately 1500 sq. ft. of underutilized storage space in the Fairfield main campus was converted, adding to the existing hotel offices located in Vacaville and Vallejo. H&SS worked with the Department of Information Technology and program divisions to pilot a new tablet device to support the program so staff who conduct most of their work/services with direct client contact in the field (away from the County offices) can stay connected. Since the launch of the pilot program, overwhelmingly positive feedback has been received from line staff and management. Future plans will include expanding use of existing Hoteling Program space by additional mobile workers across H&SS.

- Over the past year, increased meetings with community-based organizations (CBOs) from quarterly to bi-monthly. This increase in meetings is intended to enhance relationships and support activities to improve fiscal and programmatic outcomes for community partners. Plans for FY2017/18 include maintaining the increased meeting frequency, as well as offering training and consultation opportunities for CBOs with H&SS outside of the regular meetings. These trainings will focus on Federal Supercircular standards, Compliance (including privacy and CMS standards) and other areas identified by CBOs such as Board Governance and risk management).
- Coordinated the establishment of a homeless outreach team comprised of staff from Employment & Eligibility and Behavioral Health Divisions. Developed outreach collaborations with the libraries, faith-based organizations, and local enforcement to offer services, behavioral health and housing support to homeless individuals and families.
- Coordinated the Whole Person Care grant application which was awarded in October 2016. Program year two began January 1, 2017 and runs through the calendar year. The Whole Person Care intent and services remain, however, the primary care, behavioral health and substance use services will be provided via Solano County H&SS, and the social service outreach, engagement and supports will occur through partnership with Solano Coalition for Better Health (SCBH). The Steering Committee for this grant meets bi-weekly and has representation from H&SS, and SCBH, hospital and Partnership Health Plan staff. Beginning program year three (January 2018), the grant will expand to include individuals who receive primary care at other community Federally Qualified Health Center (FQHC) clinics.
- Coordinated the annual Single Audit for all federally funded programs managed by H&SS. 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 FY2015/16 Single Audit, conducted and issued in December 2016, did not disclose any questioned costs.
- The Administrative Support Bureau managed the upgrade of audio-visual capabilities in several of the H&SS building's primary conference and training rooms. The new equipment significantly improves the audience's visual and audio experiences. Cameras have been added enabling Skype meetings, resulting in time savings for meeting participants.

WORKLOAD INDICATORS

- Budget and Financial Management managed approximately $445 million in funds: $325 million in Assistance and In-Home Supportive Services Program for provider wages, benefits and Public Authority Administration; $70 million in client benefits paid by the State; $9.6 million in client assets; and $39 million in other funds (including restricted trust funds). The Billing and Collections Unit processed approximately $26 million in Medi-Cal, Medicare and private insurance claims.
- Accounts Payable and Contracts Units processed approximately 18,332 vendor claims totaling $77 million.
- ASB facilitated over 1,000 purchase transactions with expenditures totaling approximately $4 million across the Department and completed the annual physical inventory of approximately 7,552 fixed assets assigned to H&SS with no findings.
- The Employee Services Unit coordinated the processing of 161 FTE new hires, 124 FTE terminations and retirements, 86 FTE promotions, and 36 FTE transfers; prepared and processed 1,641 personnel action requests (ePARs); monitored and troubleshot the timecard reporting of approximately 1,200 employees in the IntelliTime payroll system. Workload data covers the period July 1, 2016 to March 10, 2017.
- H&SS continues to collect and monitor a departmental wide Balance Scorecard and exception analysis outlining key performance indicators (KPI) for each Division. Since the intent of these measures is to provide a critical understanding of the Department's strategic objectives and goals, a deeper analysis is currently being done in reassessing the performance

measures to encourage a key performance indicator driven work process, adaptation to changing State and federal conditions, and improved accessibility of the measures to various stakeholders.

DIVISION BUDGET SUMMARY

The Recommended Budget represents decreases of $911,019 or 19.3% in revenues and $871,296 or 18.6% in appropriations when compared to the FY2016/17 Adopted Budget with no additional increase in the County General Fund Contribution.

Primary Funding Sources

The primary sources of funding for Administration include intrafund 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 to fund non-reimbursable costs.

Primary Costs

Primary costs for the Administration Division are: $10,927,144 for Salaries and Employee Benefits; $4,215,564 for Services and Supplies which include Medi-Cal Administration Activities (MAA) pass through costs; $1,944,916 for Other Charges which include Countywide Administrative Overhead charges and contributions to non-county agencies; $1,775,924 for Other Financing Uses which include debt service costs; and offsetting Intrafund Transfers of $15,042,533 which represents the projected share of reimbursable administration costs charged departmentwide to all H&SS programs.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	129,366	108,612	153,100	44,488	41.0%
INTERGOVERNMENTAL REV STATE	0	61,392	0	(61,392)	(100.0%)
INTERGOVERNMENTAL REV FEDERAL	653,039	1,614,115	700,000	(914,115)	(56.6%)
CHARGES FOR SERVICES	242,229	50,000	70,000	20,000	40.0%
MISC REVENUE	(139,436)	0	0	0	0.0%
OTHER FINANCING SOURCES	699,975	599,975	599,975	0	0.0%
GENERAL FUND CONTRIBUTION	2,597,939	2,297,940	2,297,940	0	0.0%
TOTAL REVENUES	**4,183,112**	**4,732,034**	**3,821,015**	**(911,019)**	**(19.3%)**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	8,640,208	10,525,902	10,927,144	401,242	3.8%
SERVICES AND SUPPLIES	3,194,297	4,785,022	4,215,564	(569,458)	(11.9%)
OTHER CHARGES	1,601,810	2,394,166	1,944,916	(449,250)	(18.8%)
F/A EQUIPMENT	13,424	0	0	0	0.0%
OTHER FINANCING USES	1,913,369	1,771,378	1,775,924	4,546	0.3%
INTRA-FUND TRANSFERS	(11,529,544)	(14,784,157)	(15,042,533)	(258,376)	1.7%
TOTAL APPROPRIATIONS	**3,833,563**	**4,692,311**	**3,821,015**	**(871,296)**	**(18.6%)**
NET CHANGE	**(349,549)**	**(39,723)**	**0**	**39,723**	**(100.0%)**

STAFFING					
ADMINISTRATION DIVISION	91	94	96	2	2.1%
TOTAL STAFFING	**91**	**94**	96	**2**	**2.1%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget projects a net decrease of $911,019 in revenues and $871,296 in appropriations.

The net decrease of $911,019 in revenues is primarily due to the following:

- Increase in interest income of $44,488 on the H&SS operating cash balance.

- Decrease of $975,507 in Intergovernmental Revenues primarily due to decreases in Medi-Cal Administrative Activities (MAA) pass through revenues of $339,723 resulting from the final phase out of school-based MAA claiming activities and the closure of Children's Nurturing Project; $513,000 resulting from the final phase out of contracted direct services for Housing and Urban Development (HUD) grants; and $122,784 in Other State and Federal revenue resulting from the reclassification of claimable costs from the Intergovernmental Revenues category to the Intrafund Transfers category.
- Increase of $20,000 in Charges for Services - Contract Services is due to a prior year projection error in the percentage of administrative fee collected for processing MAA claims.

The net decrease of $871,296 in appropriations is primarily due to the following:

- Increase of $401,242 in Salaries and Employee Benefits primarily due to step increases, retirement payouts, the addition of a 1.0 FTE Health Education Specialist in August 2016, reclassification of a 1.0 Staff Analyst to a Sr. Staff Analyst in December 2016, and the County share increase of 1% for employee retirement costs. The budget also includes a projected increase in the use of extra help within the Compliance Unit, Accounts Payable, Fiscal Administration, and the Administrative Services Bureau.
- Decrease of $569,458 in Services and Supplies primarily resulting from decreases of $161,778 in Maintenance – Building & Improvements due to the completion of the hoteling project in FY2016/17; $54,637 in Computer Components due to the refresh of 55 computers in FY2016/17 compared to a normal annual average of approximately 6 to 10 computers; $236,334 in MAA pass thru costs due to lower claiming; $103,465 in DoIT allocated costs; and $140,176 in employee training and travel, offset by increases of $184,804 in property and liability insurance costs and $65,294 in Contracted Services due to an increase in security costs.
- Decrease of $449,250 in Other Charges resulting from decreases of $555,857 in Contracted Direct Services primarily due to the phase out of HUD grants managed within Administration and $137,217 in Interfund Services – Professional due to the FY2017/18 projected cost of Sheriff security services being directly charged to program divisions, offset by increases of $127,064 in Countywide Administrative cost and $84,357 in Interest Expense on County pool due to the higher carrying balance of non-operating cash accounts.
- Increase of $258,376 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 intrafund transfer account.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2016/17 Budget are provided below:

On August 9, 2016, the Board approved the following position change:

- Add 1.0 FTE Health Education Specialist (Senior)

On December 6, 2016, the Board approved the following position change:

- Reclassify 1.0 FTE Staff Analyst to 1.0 FTE Staff Analyst (Senior)

The Midyear Report approved by the Board on February 7, 2017 included the following:

- Reclassify 1.0 FTE Staff Analyst to 1.0 FTE Project Manager

The FY2017/18 Recommended Budget includes the following:

- Add 1.0 FTE Inventory Clerk within the Administrative Services Bureau
- Add 1.0 FTE Accountant within the Social Services Policy and Financial Management Team
- Delete 1.0 FTE Financial Services Supervisor within the Policy and Financial Management Team
- Delete 1.0 FTE Office Aide within Employee Services Unit

PENDING ISSUES AND POLICY CONSIDERATIONS

Please refer to pending issues identified within each H&SS Division.

DIVISION PURPOSE

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

FUNCTION AND RESPONSIBILITIES

Behavioral Health provides mental health services in accordance with Title 9, California Code of Regulations, sections 1820.205, 1830.205, and 1830.210. Substance Abuse Services are delivered under the authority of Title 45, Code of Federal Regulations and California Health and Safety Codes 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.
- Crisis intervention, crisis stabilization and inpatient services when the level of need is acute.
- Cost-effective services that promote recovery and safeguard the physical, emotional, mental and social well-being of Solano residents who live in long-term care facilities, board and care homes, or other types of community housing with supportive case management to optimize each individual's level of independence.
- Services to youth and families involved with the Child Welfare system under the Katie A. mandate and the more recent AB403 - Continuum of Care Reform (CCR) (See glossary for definition).
- Full Service Partnership (FSP) which provides intensive community based services to adults, transition age youth, and children and families.
- County outpatient clinic services to youth and families in the clinic.
- Contracted services that are both community and clinic based including children's services such as the 0-5 programs, counseling for youth at school sites, and therapeutic behavioral services (TBS) which is an intensive behavior-focused program for youth and families.
- Collaborative services provided by co-locating behavioral health staff at Probation, County Jail facilities, and Child Welfare Services locations.
- Administrative functions including quality assurance; utilization management; beneficiary related issue resolution; authorization and denial of services; maintenance of financial records, policies and procedures, and electronic health records; and assurance of cultural competency in the provision of services.
- Mental Health Services Act - Proposition 63 (MHSA) (See glossary for definition) funded programs which may include prevention and early intervention, community services and supports, information technology, and capital housing projects.

Substance Abuse Services provide prevention, intervention, treatment, and recovery services for alcoholism and other drug addictions for youth and adults including probationers, and parolees and include:

- Assessment of a client's alcohol and drug abuse treatment needs and authorization of appropriate services for delivery by contracted providers. Services include residential treatment for adults with preferential placement given to pregnant and postpartum women.
- Case management and outpatient counseling through individual, group and family sessions.
- Residential treatment for adults (priority to pregnant and postpartum mothers).
- 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, Proposition 36), and Adult and Dependency Drug Courts.

- Oversight of services for driving under the Influence (DUI) programs.
- Federally mandated Primary Prevention Services, in coordination with Public Health, to delay the onset of youthful Alcohol and Other Drug use.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Solano County Mental Health

- Reduced wait times for service delivery in both County children and adult programs. The average wait for an adult intake assessment appointment was 10.6 business days, just over the goal of 10 days. For children, the average offered wait was 5.61 business days, well below the 10-day goal.
- Children's programs show high rates of engagement, where 90% of service requests resulted in an intake assessment. Attrition is much more significant in the adult programs where only 60% of those who request services received an intake assessment. Increasing the rate of adult engagement is a programmatic focus for the next year through more assertive and timely outreach to adults.
- Continued the clinical and operational transition of responsibility of the County Adult 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.
- The MHSA team executed the third year of a three-year MHSA Plan and developed a new three-year plan to commence in FY2017/18, Programs proposed in the new plan include: expansion of full service partnerships, increased services at schools, mental health care for a Public Health postpartum program, and field-based mobile crisis services.
- Reorganized the children's mental health bureau in order to prepare for the expected increased demand for community based services associated with CCR, including a new service "Treatment Foster/Family Care", and the continued implementation of the Katie A. "Core Practice Model" (See glossary for definitions) to Medi-Cal (See glossary for definition) eligible clients who demonstrate medical necessity for that level of care.
- Providing services to the adult population is increasingly complex because of a shortage of local and statewide housing affordable to clients. This has contributed to having more difficulty discharging adult consumers from locked facilities, despite being ready, because there is no appropriate living situation to support the level of care needed for the transition.

Solano County Substance Abuse

- The program continues to expand provider services to meet the service needs of the Medi-Cal expansion population under the Affordable Care Act (ACA) (See glossary for definition).
- Successful completion of last year's audit Plan of Correction resulted in earning a desk audit this fiscal year.

WORKLOAD INDICATORS

The following workload indicators cover calendar year 2016.

- Solano County Behavioral Health provided mental health services to approximately 6,163 seriously mentally ill adults and seriously emotionally disturbed children for a total of 163,363 services. The services were provided through County Programs, Contract Programs and the Managed Care Provider Network.
- The adult outpatient clinics served 3,011 individuals, of which 1,086 were newly admitted. Of these, 611 adults were also enrolled (415 new this year) in an adult case management program ranging from short-term case management to Full Service Partnership.
- The County and Contractor provider programs served 1,595 youth, many served in both contractor and County programs as youth often receive case management and therapy services from a contractor and their psychiatric medication services, if needed, from a County provider. There appears to be a recent decrease in demand for children's health services; it is unclear whether this is temporary at this time or a trend for the future.
- Psychiatric hospitalizations numbered 620, a more than 20% reduction from the prior year.

- Solano County contracts with therapists in private practice, and in this network, 163 clients received therapy through 32 providers. The average number of sessions received in the year was 9.4. Efforts to recruit providers to the managed care network have been successful, but often these providers do not offer to serve more than a few County clients. The number of individuals services in the managed care network has decreased in each of the last three years, with a slight increase in the number of services provided to each client.
- Contracted outpatient Substance Abuse programs are serving an average of 164 clients per month, and residential programs are averaging 96 clients per month (including detox). Substance abuse clients are waiting an average of 39 days for a non-detox residential placement due to a shortage of available beds locally and regional (11 days longer than last year). Clients do not have to wait for outpatient treatment at this time.

DIVISION BUDGET SUMMARY

The Recommended Budget represents an increase of $3,217,069 or 4.0% in revenues, with a required draw from the Mental Health Intergovernmental Fund Transfer (IGT) (See glossary for definition) restricted Fund Balance of $1,200,000 to support an overall increase of $2,136,944 or 2.6% in appropriations when compared to the FY2016/17 Adopted Budget.

Primary Funding Sources

State funding from the MHSA and federal revenues provide the primary funding source for behavioral health services. MHSA funding provides cost reimbursement for mental health community support services, prevention and 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 traditional Medi-Cal recipients. For those Medi-Cal recipients who became eligible under the ACA the federal cost share is 95% and will decrease to 94% in Calendar Year 2018. Billing for mental health services is performed on a cost per unit basis.

1991 and 2011 Realignment (See glossary for definitions) are the other significant funding sources for Behavioral Health. In 2011, 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 County and funding was constitutionally protected by Proposition 30 (See glossary for definition) in 2012. This change coupled with 1991 Realignment, makes State realignment funding for behavioral health services the principal funding source for core services and the primary non-federal match for Medi-Cal. Realignment funding, however, is subject to fluctuations because it is State sales tax based and concerns remain that the growth in sales tax revenues will not keep pace with the cost of realigned programs responsibilities.

Counties receive a guaranteed amount of 1991 Realignment. In addition to the guaranteed amount, Mental Health may receive: additional base growth funding - Once the CalWORKs Maintenance of Effort (MOE) (See glossary for definitions) is met, additional sales tax growth funding once the Social Services caseload and CMSP (See glossary for definition) growth is met, and/or additional vehicle license fee growth once the CMSP growth is met. Caseload growth reflects expenditure growth, not actual caseload. The proposed discontinuation of the In-Home Supportive Services (IHHS) MOE (See glossary for definition) in the Governor's January 2017 Proposed Budget, is estimated to generate an additional $8.4 million in costs in Solano County, and has the potential to sweep all sales tax growth from the State. (See Fund 152 – BU 1520 for a full discussion of this issue)

As part of 2011 Realignment, counties are 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 and full cost of those services. With 2011 Realignment, the State continues to manage the contracts but the fiscal risk has shifted to counties.

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 creating speculation that in the future the SAPT funds could be 'repurposed' at the federal level.

Primary Costs

Primary costs for Behavioral Health are: $26,834,998 for salaries and employee benefits; $4,916,855 for services and supplies; $52,058,207 for other charges; $867,148 for other financing uses; and $1,094,766 for intrafund transfers.

The recommended appropriations for Behavioral Health include $78,298,739 for Mental Health (BU 7700), $1,200,000 for Intergovernmental Transfers Projects (BU 7598) and $6,273,235 for Substance Abuse (BU 7560).

Contracts

The recommended appropriations for Behavioral Health include $37,559,666 in contracted direct services for the provision of an array of substance abuse and mental health services. H&SS will return to the Board after the FY2017/18 Budget Hearings with a master list of contracts for the Board's consideration.

DEPARTMENT COMMENTS

None.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FINES, FORFEITURES, & PENALTY	37,546	40,048	43,863	3,815	9.5%
REVENUE FROM USE OF MONEY/PROP	3,643	5,958	4,000	(1,958)	(32.9%)
INTERGOVERNMENTAL REV STATE	39,982,853	50,045,748	49,203,712	(842,036)	(1.7%)
INTERGOVERNMENTAL REV FEDERAL	7,130,736	5,131,870	7,489,621	2,357,751	45.9%
CHARGES FOR SERVICES	773,716	587,426	827,447	240,021	40.9%
MISC REVENUE	769,494	0	0	0	0.0%
OTHER FINANCING SOURCES	13,530,105	19,090,181	20,549,657	1,459,476	7.6%
GENERAL FUND CONTRIBUTION	6,453,674	6,453,674	6,453,674	0	0.0%
TOTAL REVENUES	**68,681,766**	**81,354,905**	**84,571,974**	**3,217,069**	**4.0%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	22,927,262	26,360,336	26,834,998	474,662	1.8%
SERVICES AND SUPPLIES	3,836,952	5,117,092	4,916,855	(200,237)	(3.9%)
OTHER CHARGES	41,892,174	49,331,505	52,058,207	2,726,702	5.5%
OTHER FINANCING USES	925,640	992,061	867,148	(124,913)	(12.6%)
INTRA-FUND TRANSFERS	2,382,149	1,834,036	1,094,766	(739,270)	(40.3%)
TOTAL APPROPRIATIONS	**71,964,178**	**83,635,030**	**85,771,974**	**2,136,944**	**2.6%**
NET CHANGE	**3,282,411**	**2,280,125**	**1,200,000**	**(1,080,125)**	**(47.4%)**

STAFFING					
BEHAVIORIAL HEALTH	212.7	203.2	205.7	2.5	1.2%
TOTAL STAFFING	**212.7**	**203.2**	**205.7**	**2.5**	**1.2%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget projects a $3,217,069 net increase in revenues primarily due to the following:

- One-time increase of $1,681,898 in 1991 Realignment due to anticipated rollover from FY2016/17 resulting from receipt of an anticipated supplemental AB1297 claim of approximately $2,000,000 which will be used in lieu of the FY2016/17 1991 Realignment funds.
- An increase of $925,041 in grant revenues due to the Whole Person Care (WPC) grant project.
- A decrease of $108,393 in State-2011 Realignment revenues (AB109) due to a reduction in contracted behavioral health services due to decreased referrals.
- A decrease of $1,000,000 in Health Services IGT due to projected underspending for locum tenens contracts in the Integrated Care Clinics (ICCs).
- Increase of $157,957 in Medicare and $84,247 in Mental Health indigent, private pay, and insurance revenues due to improved collection efforts resulting from process and technology improvements.
- Increase in Mental Health Services Act (MHSA) funding of $1,459,476 primarily due to expansion of existing MHSA programs as well as new program activities added under the MHSA 3-year plan. Some of the increase is offset with a

decrease in the need of MHSA monies for other programs as a result of increased Medi-Cal billings and/or decreases in program expenditures.

The FY2017/18 Recommended Budget projects a $2,136,944 increase in appropriations primarily due to the following:

- Increase of $474,662 in Salary and Benefits primarily due to increases in Call Back/OT and Standby pay for staff to provide 24/7 coverage for MHSA Full Service Partnership programs, increases in retirement and health insurance costs, and increases in salaries for the addition of 3.5 FTE in FY2017/18. These line item increases in costs were partially offset with a decrease in Worker's Compensation and budgeted increase in Salary Savings.
- Decrease of $200,237 in Services and Supplies primarily due to decreases in Contracted Services resulting from a reduction in consultant services for MHSA Planning and Workforce Education Training (WET), Data Processing Services due to the reduction in contracted support staff resulting from the transition of hosting services, DoIT costs, and Drugs and Pharmaceuticals based on an anticipated need at the ICCs, offset by increases in Cellular Communication Service based on the increase in number of employees being issued cell phones due to the nature of their assigned duties, Other Professional Services resulting from a projected increase in recruitment contract costs for psychiatrists, County Garage Services due to the increase in total vehicles assigned to Mental Health, and utilities based on current spending trend.
- Decrease of $664,759 in IMD Offset State Hospital primarily due to a reduction in the use of State hospital beds from 12 to 9 beds.
- Increase of $937,040 in IMD Institutions for Mental Disease expenditures (IMDs) (See glossary for definition) due to a change in the methodology used to project costs. Use of a locked setting is driven by client need and is not easy to project; an average stay of two years is used in FY2017/18 estimates. Varied lengths of stay, movement between facilities and/or discharges to lower levels of care also makes projecting costs difficult. Therefore, annualized bed costs for contracted facilities are used plus an anticipated 5% rate increase for all IMDs. This methodology assumes that the total number of bed days remains flat with the number of admissions roughly matching the number of discharges.
- Increase of $1,911,414 in Contracted Direct Services due to the addition of new contracts for the Whole Person Care Grant and Children's CARE project, increases in augmented board and care costs and the expansion of Crisis Residential beds, offset by decreases in contracted services for locum tenens (contract services) and children's outpatient services due to the reallocation of MHSA funding for children's services to other programs.
- Net increase of $139,559 for supportive services to clients, including housing support, funded by MHSA.
- Increase of $70,969 for Interfund Services due to increases in custodian and security costs.
- Increase of $295,711 in Countywide Administrative Overhead and $43,281 in CAC Building Charges based on projections received from the Auditor Controller's Office.
- Decrease of $739,270 in Intrafund Transfers reflecting changes in professional services provided between Bureaus.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2016/17 Budget are provided below:

The Midyear Report approved by the Board February 7, 2017 included the following changes:

- Reclassify a 1.0 FTE Mental Health Services Manager to a Sr. Mental Health Services Manager
- Reclassify a 1.0 FTE Sr. Mental Health Services Manager to a Mental Health Services Manager
- Convert a 1.0 FTE Limited-Term Mental Health Clinician (Lic) to a regular FTE position
- Reclassify a 1.0 FTE OAIII to a 1.0 FTE OAII

The Third Quarter Report approved by the Board on May 9, 2016 included the following changes:

- Extend Limited-Term 1.0 FTE Mental Health Clinical Supervisor in the Substance Abuse Unit
- Extend Limited-Term 0.5 FTE Mental Health Clinical Supervisor in Adult Outpatient Services

- Extend Limited-Term 0.5 FTE Office Assistant II in Adolescent and Children's Services
- Delete 1.0 FTE Health Assistant

The FY2017/18 Recommended Budget includes the following position changes funded with 2011 Realignment and MHSA funding:

- Add 1.0 FTE Mental Health Specialist II to provide new, mandated services under CCR.
- Add 0.5 FTE to an existing 0.5 FTE Mental Health Specialist II for peer support services.
- Add 1.0 FTE Limited-Term Planning Analyst TBD to 6/30/18 to oversee and facilitate the implementation of mandated CCR services.
- Add 1.0 FTE Limited-Term Mental Health Clinician (Lic) to 6/30/18 to oversee clinical documentation and ensure compliance with CCR mandated services.

PENDING ISSUES AND POLICY CONSIDERATIONS

A number of issues exist statewide that continue to impact Behavioral Health Services delivery and financing. Access to long-term care facilities and housing for severely mentally ill adults continues to be a challenge in Solano County and across the State. Recent legislative changes in County mandates, primarily in children's services, are increasing the service requirements of Behavioral Health. Funding these new mandated services with no dedicated or additional funding, coupled with the demands on the existing system, remains a concern. Revenues and expenditures will be carefully monitored and service levels may need to be adjusted based on available funding streams.

Realignment

Many Behavioral Health services utilize State established 1991 and 2011 Realignment revenue for reimbursement and/or as federal matching funds for Medi-Cal services. The California Department of Health Care Services (DHCS) established a base allocation for the FY2016/17 2011 Realignment Behavioral Health subaccount and released FY2014/15 growth funding. DHCS intends for the FY2017/18 allocation to be a "rolling base" which will include growth funding plus base funding in each county's allocation; however, it has not established a permanent growth distribution formula. Until the State establishes a clear and consistent growth methodology and distribution schedule, projecting 2011 Realignment remains difficult for individual counties.

The State Controller's Office (SCO) released an audit of the Board of Equalization's (BOE) accounting and administrative controls which found material weaknesses in the allocation of sales and use tax revenue that resulted in incorrect amounts being deposited to each subaccount including the 1991 and 2011 Realignment subaccounts. The SCO's findings may result in an unknown reallocation of sales and use tax revenue in FY2017/18 or later.

Fiscal impacts of the elimination of the IHSS MOE as proposed initially by the Governor in January 2017, are discussed above under primary funding sources and in (Fund 152 – BU 1520) pending issues, and may divert 1991 Realignment growth funding to IHSS.

The Recommended Budget relies on anticipated FY2016/17 unspent or rollover funds from 1991 Realignment to cover operating costs. The projected availability of these rollover funds is due to an anticipated AB1297 (July 1, 2012) claim of approximately $2,000,000 for prior year Medi-Cal costs for services provided from January 1, 2009 through June 30, 2010. If the $2,000,000 is received in FY2016/17, the funds will be utilized instead of 1991 Realignment to fund operating expenditures in FY2016/17. If the funds are not received in FY2016/17, 1991 Realignment funds will be used in FY2016/17 and claim funds in FY2017/18.

Delays in implementing AB1297 remain and the State is currently paying counties an interim reimbursement rate based on FY2014/15 costs. The Department anticipates that the County's interim reimbursement rate for FY2017/18 will be based on the interim reimbursement rate for FY2015/16 with an inflation factor.

Medi-Cal

Projecting Medi-Cal revenue for Behavioral Health continues to be challenging particularly due to delays in prior year cost report audits/settlements. Counties receive an interim reimbursement rate that is based on the most recent filed cost report with an inflation factor added. 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. These adjustments may change the final cost per unit. If the final cost per unit is lower than what the County has been paid, then the County will owe the State the overpayment. Typically, the State will withhold amounts owed from county's interim reimbursement in the current fiscal year of the cost settlement. Predicting when withholding may happen and for which fiscal year is difficult as the State is often delayed in their cost settlement process.

As of January 1, 2017, the federal reimbursement rate for the ACA population is decreased from 100% to 95% and will decrease again to 94% on January 1, 2018. Whether counties or the State are expected to fund this decrease remains unknown. The Recommended Budget continues to assume that counties will be fully reimbursed the 100%.

<u>IGT funding for the ICCs</u>

The Mental Health Division continues to utilize Intergovernmental Transfers (IGT) funding from the restricted reserve for Behavioral Health programs to fund the Integrated Care Clinics (ICCs) and expects the fund to be depleted in FY2017/18. In addition to the remaining Mental Health IGT being utilized to support the ICCs, the Division is anticipating to receive $1,000,000 from Public Health IGT for ICC clinic operations. If IGT funding is not available to support the ICCs and 1991 Realignment and Short Doyle Medi-Cal revenues do not cover actual costs, County funds may be needed to continue to support ICC clinic operations. On average, $2,000,000 of Mental Health IGT funding has been utilized yearly to support ICC operations.

<u>Adult Facility Contracts (IMDs/Augmented Board and Care (ABCs)</u>

Institutions of Mental Disease facilities (IMD) and Board and Care Housing costs are not Medi-Cal reimbursable. As a result, these expenditures are mainly funded with 1991 Realignment and County General Fund. Any increases in usage of these beds beyond what is projected in the budget may need additional County support if the amount of 1991 Realignment available does not meet all program needs.

<u>Continuum of Care Reform Act (CCR)</u>

Children's mental health policies will be impacted based upon a number of recent legislative changes. The State has initiated a requirement to add intensive services to all youth (not just Child Welfare Services (CWS) youth as previously required) that would benefit from such services. These additional service requirements will significantly impact the capacity of existing services. Mental Health is developing specific criteria to identify the youth, using State guidelines to inform the process. The additional services, however, will require a significant allocation of resources. Similarly, the State's efforts to reduce group home care and transition group homes to a short-term treatment model will require extensive coordination between children's mental health and CWS. Included in this effort is the State and federal approval for foster parents to bill Medi-Cal for services they deliver. This will increase the demands upon Behavioral Health to oversee Foster Family Agency contracts and their oversight of the service delivery and documentation of foster parents to mitigate audit risk and assure compliance with regulations.

<u>Other</u>

In FY2016/17, the State embarked a Drug Medi-Cal Organized Delivery System (ODS) Waiver which would allow for Federal reimbursement for some services. Several counties have opted in and are implementing components of the waiver. The Division continues to monitor implementation of the Drug Medi-Cal Waiver statewide and assess if Solano County has the programmatic and fiscal resources to participate successfully. Currently, the Division is exploring an option with the Partnership Health Plan (PHP) where county would join other PHP counties to regionalize substance abuse managed care services under PHP. Under this system PHP would administer the implementation of the managed care service array, with Counties paying a per member per month rate. This strategy would minimize fiscal risk to a County while strengthening the array of services available.

The Department is also monitoring the implementation of the No Place Like Home (NPLH) State housing initiative approved which will divert $2 billion statewide from MHSA receipts to fund the debt service for a State issuance of bonds for affordable housing. Based on most recent information from the California Behavioral Health Director's Association (CBHDA), diversions of MHSA funds will not begin until FY2017/18 and amounts will be phased in. Solano County has factored in the estimated reduction due to the diversion amount in planning for local MHSA available funding.

In late March 2017, Behavioral Health and Medical Services embarked on a study to determine ways to integrate between the two internal divisions' services. H&SS is studying the clinical and fiscal benefits of potential integration. This study should help determine how the integration, if implemented will impact service delivery and finance structures.

DIVISION PURPOSE

The mission of Solano Health Services 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

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

Public Health

Public Health (PH) is responsible for monitoring, understanding, and helping to address health concerns facing the community. Data are used to analyze public health issues and are 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; surveillance and epidemiology; health promotion and community wellness; public health laboratory; maternal, child and adolescent health; nutrition services; and vital statistics.

Medical Services

Medical Services is comprised of Medical Emergency Services and Family Health Services (FHS). Medical Emergency Services (Emergency Medical Services Agency and Emergency Preparedness and Response Program) is responsible for designation and oversight of specialty care medical centers, including Trauma Centers, ST Elevation Myocardial Infarction (STEMI) Centers, and Emergency Departments approved for Pediatrics. The Bureau also provides oversight of emergency medical licensed and accredited personnel, such as Mobile Intensive Care Nurses, Paramedics, and Emergency Medical Technicians, and coordinates and conducts the annual Statewide Medical and Health Exercise designed to test the County's medical partners' ability to effectively respond to, and recover from, catastrophic events and/or disasters. The Occupational Health Program ensures safeguards are rendered to Solano County's employees meeting the requirement of California Labor Code section 6401 through conducting health screenings, tests, and provision of immunizations to County employees.

FHS operates brick and mortar, Federally Qualified Health Center (FQHC) (See glossary for definition) medical and dental clinics in Fairfield, Vacaville and Vallejo as well as satellite and mobile clinics that provide medical and dental services, and limited mental health services, in outlying areas throughout the County. The majority of patients served by FHS are Medi-Cal recipients; however, there are a number of uninsured, underinsured and homeless patients served by the clinics as mandated by Welfare and Institutions Code section 17000.

The key functional areas in Medical Services include primary care, dental care, behavioral health care, and emergency medical services.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Public Health Division

- In 2016, the Public Health Lab received 760 specimens for Zika virus testing. In response to the increasing number of Zika virus test requests, the laboratory validated the Centers for Disease Control and Prevention SinglePlex Zika molecular assay in August and is now providing the test as part of the statewide public health laboratory network.
- In 2016, the Public Health Lab used $134,500 in federal and local grant funding to acquire laboratory equipment, supplies and training related to public health emergency preparedness and homeland security.
- In October 2016, the Public Health Lab began to build its new Laboratory Information Management System for the maintenance and reporting of laboratory testing results. This modern system will allow rapid web access for public health agencies and providers to view their lab results 24/7 and is designed to meet the new State and national standards for electronic reporting of communicable diseases.

- Two Public Health Lab employees were successful in nationwide competitions to attend free advanced trainings at the Centers for Disease Control and Prevention (CDC) in Atlanta, Georgia in 2016. The instruction received has increased the laboratory's capability to perform specialized testing and training.
- Maternal, Child and Adolescent Health collaborates with partner agencies to attain and maintain high rates of entry into early prenatal care (first trimester care). These rates in Solano County increased from 74.4% in 2004, to 78.7% in 2015, and to 80.2% in 2016, exceeding the Healthy People 2020 goal of 77.9%. The overall rate of early prenatal care improved, in part, because pregnant women with Medi-Cal had early prenatal care rates that significantly improved—increasing from below 50% in 2005 to nearly 70% in 2015—20 points in ten (10) years. The Medi-Cal first trimester rate for 2016 was an all-time high of 71%.
- Maternal, Child and Adolescent Health continues to see 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). In 2016, teen births dropped to the lowest number ever, an additional 10% drop from the previous year. A variety of factors have contributed to the decline in teen birth rates, including later onset of sexual activity among adolescents, increased knowledge of and access to birth control methods, and the availability of emergency contraception.
- The rate of exclusive breastfeeding among participants in the Women, Infants and Children (WIC) Program in 2016 was 22.6%, compared to 22% in 2015, and 21.3% in 2014. Prior to the Breastfeeding Peer Counseling program starting in 2010, the exclusive breastfeeding rate was 15.9%.
- 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 add eight more water stations in Fairfield and Vacaville schools to improve access to drinking water using water stations.
- In 2016, the Communicable Disease (CD) Program addressed a number of disease outbreaks including, West Nile virus, Measles, Influenza, Campylobacter, Salmonella, and Pertussis. The program screened 167 travelers for Zika virus exposure and referred 120 patients for testing and follow-up.
- In 2016, the Sexually Transmitted Disease branch of the Communicable Disease Program received 2,360 Chlamydia, 690 Gonorrhea, and 63 new Syphilis case referrals. The program follows-up on all untreated youth, untreated prenatal women and all Syphilis cases. The Communicable Disease Program continues to collaborate with National Association for the Assessment 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 2016, the Human Immunodeficiency Virus (HIV) counseling and testing program performed 478 preliminary HIV tests for people in Solano County through the mobile testing van at various community sites and events, and through the "On Demand" testing option which addresses the needs of individuals unable to access the mobile van.
- In 2016, the Tuberculosis (TB) Control Program received 480 total referrals. The program evaluated 270 County residents for latent TB infection and provided intensive case management to 24 patients with active TB disease.
- In 2016, the Health Promotion & Community Wellness Bureau won the Health Officer's Association of California Public Health Communications Award, for Most Innovative Campaign in a medium sized county. The award of $10,000 was awarded to the Bureau's VibeSolano.com campaign which is comprised of a friendly-facing, community engaging, website and multiple social media messages encouraging two-way communication between Public Health and the diverse populations served in Solano. The award was funded by The California Endowment.
- In 2016, the Health Promotion & Community Wellness Bureau worked with Greater Vallejo Recreation District and the City of Suisun City to provide 32 new water stations in city parks (21 in Vallejo and 11 in Suisun City), to improve access to drinking water and to further reduce the consumption of sugary beverages. In addition, Fairfield-Suisun and Vacaville Unified School Districts strengthened their School Wellness Policies and are promoting water consumption.
- In 2016, Health Promotion and Community Wellness Bureau teamed up with numerous partners and volunteers to conduct four healthy store makeovers, in Benicia, Dixon, Fairfield, and Vallejo. These stores have healthy snacks and drinks in the checkout area, which is intended to improve the quality of checkout impulse purchases. In addition, these stores now have

easy access and availability to healthy fresh fruits and vegetables, which gives residents new choices in areas that are food deserts or where the convenience store is the main place residents have to buy their food. Extensive media coverage was received and the stores are now stocking fresh produce and upwards of 40-60 new healthy snack products.

- In 2016, Solano Public Health completed the Community Health Assessment and Workforce Development Plan and started the Community Health Improvement Plan. These reports are 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 physicians. Significant progress was made in 2016 recruiting Nurse Practitioners and Physician Assistants.
- Partnership HealthPlan of California implemented a provider recruitment incentive program, allowing for primary care providers to receive a signing bonus for accepting employment with their affiliated clinics. They are also offering relocation assistance, provided the employer matches the allocation.
- Family Health Services procured new Mobile Primary Care and Dental Clinics in 2016 to provide medical, dental, and limited behavioral health services throughout Solano County. Services are also provided through the Satellite Clinic at the Global Center for Success on Mare Island.
- During the summer of 2016, the U.S. Health Resources and Services Administration (HRSA) conducted the bi-annual audit routinely performed for FQHCs. The results of this site visit, while better than the previous two assessments, have resulted in an increased workload, particularly in the areas of monitoring and compliance. This enhanced focus benefits Family Health Services by placing greater attention on adherence to HRSA guidelines and recommendations, which in turn will help with transitioning from the current Healthcare for the Homeless designation (330h - allows for cooperative agreement funds to be expended only on patients qualifying as homeless) to a Community Health Center designation (330e - allows for funds to be expended on all FHS patients).
- On June 21, 2016, the Solano Emergency Medical Services Agency and Emergency Preparedness and Response Program hosted an Emergency Medical Response at the Solano County Fairgrounds. The key note speaker, a physician, is an Ebola survivor and the program theme was "I Will Survive," which focused on *surviving Ebola in the 21st century*.
- In 2016, the Emergency Medical Services Agency resurrected the Mobile Intensive Care Nurse (MICN) program within the county, an industry standard, to ensure trauma patients are directed to the most appropriate facilities. MICNs are specially training nurses who evaluate emergency situations involving accident victims and trauma patients telephonically and make destination decisions for those patients. A Solano County Multi-Casualty Incident Base Station was also created in 2016, resulting in well-coordinated destination decision making during disasters, catastrophic events, and emergency situations where multiple medical transports are required.

WORKLOAD INDICATORS

Public Health Division

- In 2016, the Public Health Lab performed or referred 18,839 tests for infectious diseases and water quality monitoring. The Public Health Lab increased its leadership role in the area of tuberculosis (TB) detection, performing 4,780 tests for active and latent TB. Other major service areas for the Public Health Lab included 2,661 tests for childhood blood lead levels; 1,620 tests for sexually-transmitted diseases; 1,712 tests for a variety of other infectious diseases; and 5,027 water quality tests on drinking water, wells, recreational water, and wastewater systems for providers, agencies and the public.
- In FY2015/16, approximately 5,300 home visits were made by public health nurses and home visiting staff, including Nurse Family Partnership and Healthy Families America, to high-risk families.
- In FY2015/16, the Childhood Lead Poisoning Prevention Program staff received and responded to 83 referrals on children with elevated blood lead levels.
- In FY2015/16, California Children's Services, which serves medically fragile children, opened 427 new cases for a total caseload of 1,162.

- In FY2015/16, the Student Health Center at Solano Community College, operated by Solano Public Health, served 2,199 students.
- In 2016, the Women, Infants, & Children (WIC) Program served a monthly average of 8,900 pregnant women, postpartum women and children less than 5 years of age. This is compared to 9,943 per month in 2015; 10,432 per month in 2014; and 10,896 per month in 2013.
- In 2016, the Nutrition Education and Obesity Prevention Program reached 7,361 people through direct nutrition education and approximately 7,550 people through health events.
- In 2016, the Nutrition Education and Obesity Prevention Program supported the creation of 7 school gardens in Fairfield and Vallejo through technical assistance and the purchase of materials and supplies.
- In the 2015/16 school year, Health Promotion & Community Wellness staff encouraged 15,669 students at 54 sites, and through 126 school events, to participate in Safe Routes to School events.
- In FY2015/16, Health Promotion and Community Wellness and community partners worked with 247 parents, who attended 44 low-cost, car seat education classes (31 in English and 13 in Spanish), and provided 528 gift cards towards the purchase of new car seats.
- In FY2015/16, Health Promotion & Community Wellness Bureau, with our community partners NorthBay and Area Agency on Aging, held 6 Stepping On classes, and 5 Tai Chi: Moving for Better Balance classes to prevent and reduce senior falls.
- In the 2015/16 school year, 742 safety helmets were distributed to youth through the Safe Routes to Schools program and through community programs and partnerships with our local police departments.
- In FY2015/16, and in support of the Solano County Smoke-free Campus policy, Health Promotion & Community Wellness Bureau provided 14 class series to 55 people for County and the general public helping 23 people to quit smoking.
- The Vital Statistics Unit provided 22,381 death permits, death certificates, and birth certificates in 2016.

Medical Services Division

- In 2016, there were 272 Emergency Medical Technicians who certified, recertified, and/or registered in Solano County. Of the 272 individuals processed, 65 were initial certifications, 134 were recertifications, and 73 were registrations.
- A total of 131 Paramedics were accredited in Solano County for 2016, including new accreditations and recertifications.
- On September 8, 2016, Emergency Preparedness and Response participated in the Commodities-Point of Distribution (C-POD) exercise at Solano Community College which is an exercise related to the distribution of supplies and equipment to the public in the event of a natural disaster or catastrophic event. The 2016 Statewide Medical and Health Exercise was conducted on November 17, 2016.
- In 2016, Family Health Services provided primary care and dental health services to 24,454 clients.
- Family Health Services increased its Partnership HealthPlan of California capitation to 29,995 clients in 2016 from 29,012 clients in 2015, a 3.4% increase.
- The Family Health Services' call center received 114,472 calls in 2016, a 13% increase over the prior year, and experienced a 7.76% call abandonment rate, down from 11.44%.

DIVISION BUDGET SUMMARY

The Recommended Budget represents decreases of $9,798,489 or 12.3% in revenues and $5,308,722 or 6.7% in appropriations when compared to the FY2016/17 Adopted Budget. The Recommended Budget includes $3,934,833 in appropriations that will be funded with prior year Public Health-Intergovernmental Transfer (IGT) (See glossary for definition) restricted funds. The Net County Contribution remains the same.

Primary Funding Sources

The primary funding source for FHS is Federally Qualified Health Center (FQHC) funds. Primary care and dental clinics are designated as FQHC sites through the Healthcare for the Homeless grant administered by HRSA. FQHCs are non-profit or public entities that serve designated medically underserved populations/areas or special medically underserved populations comprised of migrant and seasonal farmworkers, the homeless or residents of public housing. The FQHC designation allows clinics to bill a bundled rate per visit (PPS – prospective payment system) instead of a fee-for-service rate.

FQHC reimbursement is based on a site-specific encounter rate with an interim encounter rate established during a designated rate setting year. The Department of Health Care Services (DHCS) conducts an audit of the interim rate at a much later date in order to set a permanent rate. H&SS has already received permanent rates for 355 and 365 Tuolumne in Vallejo, 2101 and 2201 Courage in Fairfield, and for the dental van. An interim rate was established for the Vacaville Clinic in FY2013/14 and for the Primary Care Van 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.

Funding sources for PH include various federal grants; fee-for-service; revenue contracts with colleges, other counties and private companies; 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 PH 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.

The funding sources for Medical Services are 1991 Realignment and County General Fund.

<u>Primary Costs</u>

Primary costs for Health Services are $39,026,530 for Salaries and Employee Benefits, $12,893,584 for Services and Supplies, $15,220,639 for Other Charges which includes $5,028,784 in Contracted Direct Services; $112,107 in Fixed Assets; $1,177,739 for Other Financing Uses, and $5,474,594 for Intrafund Transfers.

The primary programs in Health Services are Public Health (BU 7800) with appropriations of $33,214,508, Medical Services (BU 7588) with appropriations of $8,030,628 and Family Health Services (BU 7580) with appropriations of $32,670,057.

<u>Contracts</u>

The recommended appropriations for Health Services include $5,028,784 in contracted direct services for the provision of services to FHS and PH. H&SS will return to the Board after the FY2017/18 Budget Hearings with a master list of contracts for the Board's consideration.

<u>Fixed Assets</u>

Included are $112,107 in fixed asset as follows: $5,328 for an incubator with refrigeration; $5,500 for an IDEXX Quantitray Sealer; $6,500 for a Digital microscope; $14,500 for a Biosafety Cabinet; $75,279 for an Applied Biosystems® 7500 Real Time PCR Instrument; and $5,000 for a smart cash register.

DEPARTMENT COMMENTS

None.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
LICENSES, PERMITS & FRANCHISE	21,004	17,750	8,500	(9,250)	(52.1%)
FINES, FORFEITURES, & PENALTY	273,932	274,000	274,000	0	0.0%
REVENUE FROM USE OF MONEY/PROP	36,330	9,500	93,631	84,131	885.6%
INTERGOVERNMENTAL REV STATE	24,804,232	33,206,137	21,998,922	(11,207,215)	(33.8%)
INTERGOVERNMENTAL REV FEDERAL	11,082,683	13,359,268	12,721,414	(637,854)	(4.8%)
INTERGOVERNMENTAL REV OTHER	769,597	952,478	976,244	23,766	2.5%
CHARGES FOR SERVICES	21,645,964	26,740,785	28,286,611	1,545,826	5.8%
MISC REVENUE	634,670	2,145,680	2,553,206	407,526	19.0%
OTHER FINANCING SOURCES	1,083,097	803,354	797,935	(5,419)	(0.7%)
GENERAL FUND CONTRIBUTION	2,259,897	2,259,897	2,259,897	0	0.0%
TOTAL REVENUES	**62,611,404**	**79,768,849**	**69,970,360**	**(9,798,489)**	**(12.3%)**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	28,445,462	37,071,141	39,026,530	1,955,389	5.3%
SERVICES AND SUPPLIES	8,284,591	20,665,312	12,893,584	(7,771,728)	(37.6%)
OTHER CHARGES	17,821,298	14,985,063	15,220,639	235,576	1.6%
F/A BLDGS AND IMPRMTS	0	71,500	0	(71,500)	(100.0%)
F/A EQUIPMENT	1,057,005	270,000	112,107	(157,893)	(58.5%)
OTHER FINANCING USES	1,830,983	1,153,533	1,177,739	24,206	2.1%
INTRA-FUND TRANSFERS	2,982,644	4,997,366	5,474,594	477,228	9.5%
TOTAL APPROPRIATIONS	**60,421,983**	**79,213,915**	**73,905,193**	**(5,308,722)**	**(6.7%)**
NET CHANGE	**(2,189,421)**	**(554,934)**	**3,934,833**	**4,489,767**	**(809.1%)**

STAFFING					
HEALTH SERVICES	293.45	313.60	332.35	18.75	6.0%
TOTAL STAFFING	**293.45**	**313.60**	**332.35**	**18.75**	**6.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Significant changes in revenue include:

The FY2017/18 Recommended Budget for Health Services projects a $9,798,489 net decrease in revenues compared to the FY2016/17 Adopted Budget. The County Contribution of $2,259,897 has remained the same amount. The projected decrease in revenue results primarily from recognizing 100% of the Round 2 Intergovernmental Transfers (IGT) proceeds in FY2016/17 in compliance with GASB (Government Accounting Standards Board) requirements and is partially offset by increases in 1991 Realignment (See glossary for definition) and various Public Health and Family Health Services grants and allocations as follows:

- Decrease of $13,357,059 in IGT revenue for the Round 2 Public Health IGT that was received in FY2016/17.
- Net Decrease of $806,802 in federal Aid primarily due to upcoming expiration of the Partnerships in Community Health Grant on Sep 30, 2017.
- Increase of $84,131 in Interest Income for 1991 PH Realignment due to an increase in the prior year rollover balance of the 1991 PH Realignment deferred revenue account.
- Net Increase of $2,032,031 in 1991 PH Realignment reflecting an increase in draw from the PH Realignment deferred revenue account due to increased costs for services that cannot be absorbed or claimed through federal and State invoicing, one time charges for contracts to develop new programs and software, and costs to develop an Elderly Home Visiting Program.
- Increase of $299,491 in reimbursement from the Solano Emergency Medical Services Cooperative in order to implement a new Emergency Medical Services System that integrates the fire department and ambulance responses for more efficient services to the community.

- Increase of $125,000 in the County Medical Services Program (CMSP) grant awarded on January 24, 2017 for the period January 1, 2017 to June 30, 2020 to participate in a CMSP County Wellness and Prevention Pilot Project that seeks to test the effectiveness of providing wellness and prevention services at the local level.
- Increase of $1,135,539 in FQHC funding based on productivity and vacancy rate targets for existing and recommended positions.
- Increase of $407,526 primarily due to an increase of $355,606 in the Quality Improvement Plan (QIP) payments from Partnership HealthPlan (PHP) from the addition of the Vacaville site in the QIP.

Significant changes in appropriations include:

The FY2017/18 Recommended Budget for Health Services projects a $5,308,722 decrease in appropriations compared to the FY2016/17 Adopted Budget. The projected decrease results from the net decrease in Services and Supplies, and Fixed Assets with increases in all other expenditure categories as follows:

- Net increase of $1,955,389 in Salaries and Employee Benefits primarily due to the increase in recommended positions for Family Health Services and Public Health coupled with an overall increase in the County's share of retirement costs.
- Net decrease of $7,771,728 in Services and Supplies primarily due to a decrease of $9,002,700 in Special Departmental Expense comprised of $8,904,687 in an IGT transfer and associated State admin fees paid in FY2016/17 offset by increases in insurance, phone, software and equipment maintenance, and Department of Information Technology (DoIT) charges; increases in Contracted Services for new federally funded NEOP programs; and increases in Drugs & Pharmaceuticals and Medical/Dental Supplies in the Family Health Services clinics and laboratory supplies in the PH Lab due to increased utilization.
- Net increase of $235,576 in Other Charges primarily due to an increase of $325,410 in Countywide Administrative Overhead and an increase of $18,700 in Tuberculosis Care, and Food for Indigent Clients, offset by a decrease of $109,500 in Contributions for Non-County Agencies due to completion of one-time installation costs of hydration stations in various schools and parks in FY2016/17.
- Decrease of $229,393 in Fixed Assets due to a decrease in building improvements, vehicles and equipment.
- Increase of $24,206 in Other Financing Uses due to an increase in share of Debt Service and POB costs.
- Net increase of $477,228 in Intrafund Transfers due to a decrease of $89,789 in the Division's share of H&SS Administration Overhead; a decrease of $193,564 in Intrafund Services - Personnel due primarily to federal funding for Whole Person Care staffing in Health Services; and an increase of $760,581 in Intrafund Services – Professional primarily to receiving funding for the Healthy Family America program to support a contract for case management of targeted clients, and an increase in Substance Abuse Prevention and Treatment (SAPT) funding to increase contracts providing substance abuse and treatment; offset by $1,000,000 transfer in PH-IGT to Mental Health to fund the Behavioral Health CARE program.

SUMMARY OF POSITION CHANGES

The Midyear Report approved by the Board on February 7, 2017 included the following:

- Delete 1.0 FTE Clinic Physician (Board Cert)
- Add 1.0 FTE Clinic Physician Supervisor
- Delete 1.0 FTE Health Education Specialist
- Add 1.0 FTE Nurse Practitioner/Physician Assistant
- Add 1.0 FTE Policy & Financial Analyst
- Add 1.0 FTE Public Health Nurse
- Delete 0.5 FTE Health Assistant
- Delete 1.0 FTE Health Services Administrator

- Add 1.0 FTE Health Services Manager (Sr)
- Add 1.0 FTE Office Assistant II
- Add 1.0 FTE Office Assistant III TBD, subsequently modified by Human Resources to 1.0 FTE Office Assistant II
- Delete 1.0 FTE Office Supervisor
- Add 1.0 FTE Pharmacy Specialist

The Third Quarter Report approved by the Board on May 9, 2016 included the following changes:

- Extend 1.0 FTE Limited-Term Health Education Specialist in the WIC program through June 30, 2018.
- Extend 1.0 FTE Limited-Term Health Education Specialist through June 30, 2018 in the Health Education Bureau to provide education related to a number of Public Health initiatives.
- Extend 1.0 FTE Limited-Term Health Services Manager through June 30, 2018 in the Health Education Bureau to continue management of the PICH program.
- Extend 1.0 FTE Limited-Term Project Manager through June 30, 2018 in the Communicable Disease Bureau to continue a variety of emergency preparedness assignments.
- Extend 1.0 FTE Limited-Term Health Education Specialist, Senior through June 30, 2018 in the Health Education Bureau providing communicable disease education.

The FY2017/18 Recommended Budget includes the following position changes to Family Health Services' clinics to meet clinic service demand with the continued increased in PHP capitated patients and to reduce appointment wait times. Due to uncertainty surrounding the Affordable Care Act (ACA), all positions are recommended as Limited-Term, expiring on June 30, 2019. (See pending issues and policy considerations for a more detailed discussion of these issues.)

- Add 1.0 FTE Clinic Registered Nurse Limited-Term
- Add 2.0 FTE Dental Assistant (Registered) Limited-Term
- Add 2.0 FTE Medical Assistant Limited-Term
- Add 2.0 FTE Mental Health Clinician (Licensed) Limited-Term
- Add 2.0 FTE Nurse Practitioner/Physician Assistant Limited-Term

The FY2017/18 Recommended Budget includes the following position changes to Medical Services:

- Add 1.0 FTE Emergency Medical Services Coordinator

The 2017/18 Recommended Budget includes the following position changes assigned to the Whole Person Care grant and funded with the Whole Person Care and 1991 Realignment. The positions are Limited-Term, expiring on June 20, 2020 with the expiration date of the Whole Person Care grant.

- Add 0.95 FTE Epidemiologist Limited-Term
- Delete 0.20 FTE Epidemiologist
- Add 1.0 FTE Public Health Nurse Limited-Term

The FY2017/18 Recommended Budget includes the following position changes for the implementation of an Elderly Home Visiting pilot program. The positions are Limited-Term, expiring on June 20, 2020 and are funded through PH IGT and 1991 Realignment. (See pending issues and policy considerations for a more detailed program discussion.)

- Add 1.0 FTE Mental Health Clinician (Licensed) Limited-Term
- Add 1.0 FTE Public Health Nurse (Senior) Limited-Term
- Add 1.0 FTE Public Health Nurse Limited-Term

- Delete 1.0 FTE Health Assistant

The FY2017/18 Recommended Budget includes the following Public Health position changes:

- Add 0.5 FTE Public Health Nurse for the Tuberculosis Control Program funded through IGT.

PENDING ISSUES AND POLICY CONSIDERATIONS

Vacancies in Family Health Services, particularly primary care providers, continue to be a challenge. The County, in conjunction with Partnership HealthPlan (PHP), is providing incentives and moving allowances to eligible providers. Additionally, the County is utilizing State and federal Student Loan reimbursement programs for eligible providers. H&SS has contracted with a nationwide recruiter to specifically target provider recruitments for the primary care clinics and inform providers that are looking for new employment about the benefits for working for the County. With the nationwide shortage of primary care providers, the competition to hire them has increased and continued efforts to enhance compensation for providers will be important to maintain current gains and fill remaining vacancies.

Provider recruitment and retention, along with productivity targets, is critical to the generation of revenues in the clinics. The large number of vacancies (currently fluctuating between 12-14%) is contributing to revenue reduction in the clinics. To balance the budget, the clinics must maintain a vacancy rate of only 5.02%, representing a blend of provider and ancillary support staff. Actual vacancies in excess of this rate impact budgeted revenues and the clinics' ability to cover fixed costs. The clinics continue to rely on 1991 PH Realignment to cover the funding gap and may need to ask for additional County General Fund support if this trend continues beyond FY2017/18.

Clinic visits are reimbursed on a bundled rate established based on the PPS. During the year, the clinics receive an interim rate differential for Managed Care visits plus monthly capitated revenues from the Partnership HealthPlan of California (PHC). The capitated monthly revenues are based on a per member per month capitated rate times the number of Partnership Medi-Cal enrollees assigned to Solano County as their primary care provider. Capitated revenues go up as the number of enrollees assigned to Solano goes up. Capitated revenues are not visit based. At the end of each fiscal year, DHCS conducts a reconciliation/true-up of FQHC primary care visits to ensure that FQHCs do not get reimbursed over and above their established PPS rate. The reconciliation takes into consideration the interim rate differential for Managed Care visits and the amount of capitation revenues received from the Managed Care Plan. A payback to DHCS is very likely if a FQHC is seeing an increase in the number of assigned enrollees and is unable to generate enough visits due to productivity and vacancies.

The status of the Affordable Care Act under the new federal administration remains unresolved. Through ACA, counties' costs of serving the indigent population decreased as many formerly uninsured individuals obtained health coverage through the Medicaid Expansion afforded by the ACA. In June 2013, the State signed into law AB 85 (See glossary for definition) that provided a mechanism for the State to redirect counties' 1991 Public Health Realignment funding previously dedicated to pay for indigent health care costs to fund social services programs (CalWORKs grant increases). For Solano County, the amount redirected each year is $6.9 million. In the meantime, counties remain responsible for providing health care to the indigent population under W&I Code section 17000. The repeal of ACA would significantly increase counties' indigent health care costs, leaving counties with no dedicated funding stream. Public Health programs could also be affected as the Federal Partnerships in Community Healthcare and Lifetime Wellness grants are closely aligned with the ACA. Additional cuts to prevention activities tied to the ACA could also endanger funding for Tuberculosis and Communicable Disease programs.

The Governor's proposal in January 2017 to eliminate the Coordinated Care Initiative (CCI) (See glossary for definition and (Fund 152 - BU 1520) for a detailed explanation), the amount of 1991 Realignment distribution to Health Services is expected to decrease because Public Health may receive little, if any, State growth funding. The allocation formula is a rolling base (prior year base allocation plus prior year growth allocation equals new year's base allocation) and Health Services is not guaranteed the replacement of base, it is expected that Health Services will see an erosion of 1991 Realignment funding in future years if the proposal remains and goes into effect July 1, 2017.

The State Controller's Office (SCO) released an audit of the Board of Equalization's (BOE) accounting and administrative controls which found material weaknesses in the allocation of sales and use tax revenue that resulted to incorrect amounts being deposited to each subaccount that including the 1991 and 2011 Realignment subaccounts. The SCO's findings may result in an unknown reallocation of sales and use tax revenue.

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

Elderly Home Visiting Pilot Program

The goals of the proposed pilot Elderly Home Visiting Team in Public Health are to help elderly and disabled adult residents of Solano County prevent emergence of chronic and disabling conditions and better manage their current chronic and disabling conditions in order to: improve their health and wellbeing; reduce, and prevent to the extent possible, progression of chronic illnesses, disabilities and injuries; live independently in their homes for longer; reduce needs for IHSS services; and, reduce overall healthcare and nursing care costs. The Team will be comprised of a Senior Public Health Nurse, who will oversee the team and provide nursing support, a Public Health Nurse, who will provide medical case management, a Mental Health Clinician, who will provide behavioral health case management, and a Health Education Specialist, who will provide individual and group health and prevention education.

The Adult Home Visiting Team will pursue these goals through several strategies. The first will be to identify clients using IHSS services who have either substantially above average allocated provider hours or indications of significant risk for chronic conditions or disabling injuries. These clients will receive home visits by the Team for medical or behavioral health case management and individual health and prevention education, as appropriate. Metrics for assessing efficacy of interventions will include use of healthcare resources (e.g. ER visits), occurrence of serious injuries (e.g. falls), and progression of need for ODAS services in comparison to the pre-intervention time period for these clients and in comparison to otherwise similar IHSS clients not receiving the interventions (due to resource constraints).

A second, somewhat more difficult to implement strategy will be to identify County residents who are not currently using IHSS services but who, absent preventive interventions, would be expected to use these services in the relatively near future. These individuals would be identified with the assistance of community partners, including senior centers, the Senior Coalition and the Area Agency on Aging for Napa and Solano. These clients will receive home visits by the Team for medical or behavioral health case management and individual health and prevention education, as appropriate. Metrics for assessing efficacy of interventions will include use of healthcare resources (e.g. ER visits), occurrence of serious injuries (e.g. falls), and progression of chronic disease and disability (e.g. need for IHSS services) in comparison to the pre-intervention time period for these individuals and in comparison to otherwise similar individuals not receiving the interventions (due to resource constraints and willingness to participate).

A third strategy will be to reach out to at-risk communities (elderly individuals with risk factors for chronic disease or disabling conditions, and non-elderly adults who would benefit from prevention education) through individual and group health and prevention education using the Department's Network of Care website for elderly services, libraries, senior centers, assisted living facilities and nursing homes, health fairs, etc. Metrics for assessing efficacy for these activities will likely have to focus on process measures (e.g. number of website hits, number of presentations) rather than outcome measures.

DIVISION PURPOSE

The Social Services Division Budget for Health and Social Services (H&SS) has 16 major programs primarily providing services in the following broad categories: Employment and Eligibility Services (E&E), which includes Welfare Administration (WA); Child Welfare Services (CWS); and the 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). Staff in these divisions are responsible for issuing assistance to clients as budgeted in the Public Assistance Division (BU 7900).

Employment and Eligibility Services

E&E contributes to 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

WA and the Special Investigations Bureau (SIB) ensure 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 State social services funds and that are not included in the consolidated social services County Expense Claim for State reimbursement.

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

ODAS provides interdisciplinary services to the elderly and disabled who are among of the County's most isolated and vulnerable residents. ODAS integrated under the Public Health Division in 2015. The integration provides for a preventative health focus for the aged and disabled communities in the County. ODAS focuses on comprehensive, coordinated assistance for older and disabled adults.

FUNCTION AND RESPONSIBILITIES

Employment and Eligibility Services

E&E provides public assistance, including nutrition, healthcare coverage, housing assistance, cash aid, and employment and training resources to Solano County residents and assists the recipients towards self-sufficiency. As of February 28, 2017, 123,498 County residents, or 28.3 % of the County population were receiving public assistance benefits, up from 78,795, or 19% of the County population five years earlier, but down slightly from 2015. These benefits have a significant impact on the County's economy. E&E provides cash aid to over 5,200 families per month representing almost 15,000 individuals, food assistance to over 21,000 families representing over 44,000 per month, Medi-Cal coverage to over 54,000 families per month representing over 121,000 individuals, and County Medical Services Program (CMSP) coverage to approximately 36 individuals.

Welfare Administration

WA and the 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) (See glossary for definition) 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

Special Projects is used to account for appropriations 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 CWS is to protect children from abuse and neglect by strengthening families or finding safe, permanent homes so that they can grow into healthy productive adults. CWS includes a Hotline, Emergency Response 24/7 Services, Family Maintenance and Family Reunification Services, Permanent Placement Services, Supportive Transition Services, and Adoption Services.

CWS includes five service components of the program passed by State legislation 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 the Juvenile Court to order the children into foster or relative care. Emergency Response is available 24 hours a day, seven days a week, to respond to situations in which a child is at imminent risk of abuse or serious neglect.
- Family Maintenance and Family Reunification provides an Intensive Family Services model which engages families, including frequent social worker contact, to address the factors that necessitated CWS involvement through a family focused service approach to support families. Solano County also provides Family Preservation Services to support children reunifying with their families and remaining safely in their own homes.
- 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. New legislation passed in 2015 (AB 403) - Continuum of Care Reform (CCR) (See glossary for definition) provides an increased focus on transitioning children out of group homes.
- 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 these young adults choose 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 determine 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 (See glossary for definition). In addition, CWS provides legal services support and records retention support.

Responding to the new mandates, CWS has implemented Resource Family Approval (RFA) services for children who are in out of home placements 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.

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. ODAS IHSS staff provide coordinated case management services which includes program eligibility, intake assessments, annual reassessments, community referral resources, payroll assistance, and referrals to the IHSS Public Authority (BU 7690) for recipient – provider matching services. 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 PG serves as the legally appointed guardian or conservator for persons at risk or who have been a victim of abuse of neglect found by the Courts to be unable to take care of themselves or their assets. 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 IHSS Public Authority is discussed in Department (BU 1520) and H&SS Social Services' Bureau IHSS Public Authority (BU 7690).

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

Employment and Eligibility Division (E&E)

- In 2016 the E&E Division was awarded just over $1.4 million in Housing Support Program (HSP) funding to serve eligible CalWORKs participants who are literally homeless or at imminent risk of homelessness. The award represents a renewal of the 2015 award and an additional $565,000 award due to the success of the program in 2015. The funds are used to assist participants with rental assistance, deposits, moving costs, utilities, motel vouchers, as well as other supportive services and case management. The E&E Division was also awarded approximately $385,000 in Housing and Urban Development (HUD) funds for programs to assist chronically homeless families in obtaining permanent supportive housing through rental assistance, rental deposits and other supportive services.
- Solano County consistently maintains one of the lowest active error rates for the CalFresh (See glossary for definition) program in the State. In 2016 Solano County's error rate was 1.53% compared to the California State average of 6.18%.
- Implemented in December of 2014, Success Track is a subsidized employment activity of the Welfare to Work (WTW) program. Through this program, participants receive career counseling, job leads and networking opportunities, resume and application assistance, interview preparation and placement assistance as they prepare for transition to permanent employment. During FY2015/16, 77 WTW clients obtained permanent employment through Success Track, increasing from 23 clients in the inception year of FY2014/15.
- Family Stabilization (FS), a component of the CalWORKs Welfare-To-Work (WTW) Program, was implemented in July 2014. FS provides intensive case management and services to those families identified as experiencing crises that interfere with the family's ability to meet the WTW program requirements. Since its inception, FS has received over 933 referrals to the program and has successfully served approximately 1,443 individuals, which includes the parents and their children. Through intense case management, FS Social Worker staff ensure that clients are given assistance in addressing and removing stabilization barriers such as Domestic Abuse, Mental Health, Substance Abuse, and Housing with the goal of assisting clients in obtaining gainful employment and becoming permanently employed.

Welfare Administration

- Since the beginning of the FY2016/17, the Special Investigations Bureau has conducted 1,578 welfare fraud investigations resulting in $4.95 million in cost savings.
- The Special Investigations Bureau Overpayment Recovery Unit computed 347 overpayments totaling $767,097.

Child Welfare Services

- In response to ongoing recruitment and retention challenges, CWS and Human Resources Department collaborated to provide an online job fair to recruit Social Worker III's which included the creation of a video highlighting the important work of social workers.
- CWS and HR conducted "Stay Interviews" with the Social Worker III classification class to discuss roles and responsibilities and to gain insight on those aspects of the job staff found most rewarding and those aspects of the job they found most challenging. The information shared was synthesized into a report designed to assist management in developing strategies to address the interview results.
- In the 2016 Child and Family Services Review Annual System Improvement Report, Solano County CWS met or exceeded six federal and State performance standards and was below the national standard on the remaining five federal and State outcomes.

- CWS continues the use of Safety Organized Practice (SOP), a family centered practice focused on behavior change including engagement, critical thinking, and enhanced safety. One hundred percent of the Social Services Supervisors were trained as of 12/31/16. At that same time, 33 out of 71 Social Workers were fully trained, 26 had almost completed training, and 12 were new workers.
- The California Department of Social Services (CDSS) requires counties to conduct case quality assurance reviews and has provided funding for staff to meet this federal requirement. CWS has experienced difficulty in meeting the required number of case reviews as a result of challenges in filling the funded positions. CWS applied for and received a waiver on the required number of case reviews until the positions can be filled.
- Implementation of the provisions of CCR began January 1, 2017. The main goals of CCR are to further improve California's child welfare system and its outcomes by reducing the use of congregate care placement settings, increasing the use of home-based family care and decreasing the length of time to achieve permanency. CCR changes include:
  - Additional State funding for counties to recruit, retain and support families to meet the needs of children.
  - Develops and defines the functions of the Child and Family Team (CFT) designed to incorporate the child and family's experience and voice in assessment, placement and service planning. From January to October 2016, CWS and Children's Mental Health Services conducted 263 CFT meetings. CWS is working on expanding CFT and is developing a policy to ensure consistent practice.
  - Requires statewide implementation of the Resource Family Approval (RFA) Program beginning January 1, 2017. RFA is a streamlined approval process that includes required pre-training in addition to ongoing annual training. CWS established an RFA unit and has also been working on the development of the resource family pre-service training, which will be directly provided by the County.
  - Creates a new children's residential licensing category called Short-Term Residential Therapeutic Program (STRTP) in lieu of group homes. CWS will be challenged in the coming years to find appropriate placements for children transitioning from traditional group home settings.
  - Changes the rate structures for licensed providers and caregivers from age based rates to rates based on level of care and supervision needs.
- The Commercially Sexually Exploited Children (CSEC) (See glossary for definition) Steering Committee, initiated in 2015, 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 committee recently completed the CSEC Interagency MOU, which is currently going through the county review process.
- A new Child Welfare Services/Case Management System (CWS/CMS) is due to be fully implemented by March 15, 2018 CWS, in coordination with DoIT, is in the process of upgrading existing computer inventory with a combination of laptops and desktops that will operate under the new system requirements.

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

- According to the California Department of Aging, Solano County experienced a 21% increase in the population age 60 and above between 2010 and 2016. The State of California Department of Social Services Quality Assurance monitoring review of Solano County's administration of the IHSS program occurred in December 2016. As the 60+ population of Solano County continues to grow, the need for aging services will continue to grow. Older and Disabled Adult Services became a bureau under the Public Health Division in order to provide mandated services and to promote a healthy community with the support of outreach from the prevention program activities available in public health.
- The State of California Department of Social Services Quality Assurance monitoring review of Solano County's administration of the IHSS program occurred in December 2016. This quality assurance review provides on-site monitoring and case reviews elements of the IHSS program. This programmatic audit identified several areas of improvement. ODAS IHSS program supervisors and ODAS Quality Assurance staff are working together to develop in-services and training to all staff to improve the delivery of services by addressing audit identified documentation needs.

- The State of California Department of Social Services (CDSS) classifies Solano County a medium sized county. The Adult Programs Policy and Quality Assurance (QA) Branch data for fiscal year FY2015/16 indicates that Solano County is consistently at the higher end of the percentage of caseload categories for a medium sized county including total caseload count, the average number of authorized hours per case, and the number of cases categorized as serving a severely impaired individual (a recipient with a total assessed need for 20 or more hours per week in one or more areas). The County's protective supervision hours (hours provided to a recipient who, if left unsupervised at any time, is at risk of injury due to mental impairment or illness) are also higher than the State average. IHSS program supervisors are working together to identify an evidenced based evaluation tool validated for use in IHSS staff case reviews. Once a tool is selected, coordination for implementation with ODAS QA staff will occur to provide information and training to IHSS program staff to ensure the consistent application of IHSS hours and State identified IHSS program documentation needs.
- IHSS program has worked to implement the required changes of the Fair Labors Standards Act (FLSA) and California State law effective February 1, 2016. The mandate requires IHSS providers be paid overtime and paid travel time. Approval of overtime hours, notices of violations when approvals are not obtained, and provider education require additional IHSS staff time. IHSS staff has worked to educate providers on the new requirements in order to minimize violation notices, prevent IHSS service terminations, and streamline workload.
- The fraud detection unit, also called the Program Integrity Unit in ODAS, continues its close collaboration with H&SS Special Investigations Bureau (SIB) to detect and prevent fraud with an increasing focus on cost avoidance and concurrent quality assurance reviews for open cases. The services are vital to controlling cost in the IHSS program as the number of IHSS cases has been growing. Since FY2015/16, the ODAS fraud unit has generated annual cost savings of $2.9 million in overpayment avoidance.

Technological Advances

- The TACOMA project (**T**r**A**nsfomation of **CO**ntent **Ma**nagement) is the technology project of the ODAS Bureau. Through this project, Adult Protective Services (APS) and IHSS staff fully implemented a paperless work process in early 2016. All social workers in the APS and IHSS programs use tablet devices in the field for charting and client intakes allowing for a mobilized work force. IHSS clients have the ability to electronically sign all IHSS forms. This new approach has replaced the previous paper case files and documents in a manner which allows remote workers accessibility, record retrieval and electronic record retention. As the annual reassessments of IHSS clients occur, the reassessments are completed in the electronic record system. The transition to a paperless IHSS program should be completed December 2017.
- Due to a discontinuation of product support by the prior vendor, APS implemented a new case management system. The new system offers APS investigation, case management services and database design and development services. The database design and development feature provides the opportunity to partner with agencies using technology services for the implementation of a National Adult Maltreatment Reporting Systems (NAMRS). NAMRS will collect data on practices and policies of APS agencies providing data for research and best practice development overall improving outcomes to APS programs.
- ODAS will introduce an Interactive Voice Response / Interactive Web Response (IVR/IWR) system for the IHSS program that allows IHSS recipients and providers 24/7 access to their case information. This system allows IHSS recipients and IHSS providers access to personal data associated with their IHSS case file. The IVR portion of the project will be fully implemented in May of 2017 and the IWR portion of the project is scheduled to be completed by July 1, 2017.

WORKLOAD INDICATORS

Employment and Eligibility Division

- In calendar year 2016, E&E received an average of 4,119 applications per month and processed 142,735 visitors to the E&E offices.
- In calendar year 2016, E&E continuing caseload Call Center (Benefits Action Center) handled 71,175 calls from the public.
- In calendar year 2016, E&E assisted 58 families in obtaining housing.

Child Welfare Services

- In 2016, CWS received 4,869 reports for allegations of child abuse and neglect and investigated 573 as an immediate response and 1,682 as a 10-day response. Of the referrals that were investigated 284 were substantiated, 634 were found to be inconclusive 1,188 were unfounded, 166 have not been recorded, and 17 were duplicate referrals from a different source. The largest number of allegations were for general neglect.
- As of January 31, 2017, CWS provided services to 496 children in out of home placement, including 88 children in guardian homes, 156 children residing with relatives, 42 children in group homes, 13 residing in foster family homes, 178 residing in Foster Family Agency homes, 18 young adults in supportive transition arrangements, and 1 in a Regional Center home. CWS also provided services to 82 children remaining in the care of their parents.

Older and Disabled Adult Services

- IHSS requests for services in 2016 were 1,413.
- During calendar year 2016, APS received 1,577 referrals, up 14% over the prior calendar year.
- During FY2015/16, PA/PG/PC received 40 Lanterman Petris Short conservatorship intakes, 11 Probate intakes, and 21 Public Administrator intakes.

IHSS Public Authority workload indicators are provided in the IHSS Public Authority (BU 7690).

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents increases of $1,028,081 or 0.9% in revenues and $2,305,861 or 2.1% in appropriations when compared to the FY2016/17 Adopted Budget. The County General Fund contribution of $5,904,618 reflects an increase of $533,333 or 9.9% primarily due to increases in the County share of the IHSS Program administration costs as a result of the Governor's January 2017 Budget proposal for FY2017/18 for the discontinuance of IHSS Maintenance of Effort (MOE) (See glossary for definition) effective July 1, 2017.

Primary Funding Sources

The primary funding sources for Social Services' 16 major programs are State allocations, federal funds, 2011 Realignment (See glossary for definition), and 1991 Realignment (see glossary for definition).

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: IHSS, CalWORKs and CalFresh Eligibility. The 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, 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 funding mechanism is the County is responsible for 100% of the nonfederal share of costs in realigned programs.

The County has a required share of cost for most programs, with the exception of ILP, PSSF, Medi-Cal, and CMSP. The County 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. County General Fund is also used for the administration costs of the General Assistance Program and for the County's share of the Public Guardian program.

Primary Costs

Employment and Eligibility Services (BU 7650) With recommended appropriations of $62,600,173, E&E accounts for expenses that include: staff dedicated to eligibility determination and welfare-to-work programs, eligibility workers, employment services, social workers, supervisors, and administrative and clerical support staff. Also included is the cost of employment services contracts, ancillary and transportation services provided to CalWORKs clients and housing support services. Programs administered include CalWORKs, Medi-Cal, CMSP, CalFresh, Refugee, General Assistance, and housing support programs.

Welfare Administration (BU 7545) With recommended appropriations of $6,845,905, WA includes costs for welfare fraud investigators, appeals specialists and administrative and clerical support staff who receive reports of potential fraud in all social services programs. WA conducts investigations on these reports and also hears appeals from clients regarding decisions made on benefits for assistance programs and IHSS services. Clerical and accounting staff who handle fiscal disbursement functions for the assistance programs are also included in this cost center.

Child Welfare Services (BU 7600) With recommended appropriations of $24,706,580, CWS includes costs for social workers, supervisors, eligibility workers, and administrative and clerical support staff dedicated primarily to child protective services. Other programs administered by CWS include 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) With recommended appropriations of $12,871,957, ODAS expenses include social workers, and administrative and clerical support staff dedicated to IHSS, APS, and PG functions.

Special Projects (BU 7675) With recommended appropriations of $4,993,574, Special Projects includes costs for the Transitional Housing Assistance Program for emancipated foster youth, the CalWIN database and case management system used to determine eligibility for Assistance Programs, other costs covered by the CalWIN allocation, and the Permanent Supportive Housing (PSH) and Rapid Rehousing (RRH) grants for CalWORKs clients. This budget unit does not have any permanent staff assigned.

Included are $980,000 in fixed assets as follows: $300,000 to develop and implement telephonic or e-signature solution in E&E to meet requirements of CalFresh and CalWORKs telephonic application processes, pending direction from the California Department of Social Services; $500,000 for implementation, hosting, and licensing of task/workload management software in E&E; and $180,000 to implement an automated appointment scheduling/management solution in E&E.

Contracts

The recommended appropriations for Social Services include $4,699,812 in contracted direct services for the provision of services to CWS, E&E and Transitional Housing. H&SS will return to the Board after the FY2017/18 Budget Hearings with a master list of contracts for the Board's consideration.

Fixed Assets

Included are $980,000 in fixed assets for E&E as follows: $300,000 to implement a telephonic signature or e-signature solution to meet requirements of CalFresh and CalWORKs telephonic application processes; $500,000 for the implementation of a task/workload management software system; $180,000 to implement an automated appointment scheduling management solution.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	51,285	8,801	650	(8,151)	(92.6%)
INTERGOVERNMENTAL REV STATE	50,947,937	57,934,722	62,175,874	4,241,152	7.3%
INTERGOVERNMENTAL REV FEDERAL	34,965,279	46,762,763	42,887,774	(3,874,989)	(8.3%)
CHARGES FOR SERVICES	857,903	843,606	882,372	38,766	4.6%
MISC REVENUE	17,240	15,000	110,300	95,300	635.3%
OTHER FINANCING SOURCES	51,860	50,330	53,000	2,670	5.3%
GENERAL FUND CONTRIBUTION	4,640,038	5,371,285	5,904,618	533,333	9.9%
TOTAL REVENUES	**91,531,542**	**110,986,507**	**112,014,588**	**1,028,081**	**0.9%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	58,698,957	66,904,281	70,271,205	3,366,924	5.0%
SERVICES AND SUPPLIES	10,520,549	13,601,911	13,045,168	(556,743)	(4.1%)
OTHER CHARGES	13,893,089	18,181,555	17,122,083	(1,059,472)	(5.8%)
F/A - INTANGIBLES	0	600,000	980,000	380,000	63.3%
OTHER FINANCING USES	2,207,796	2,554,263	2,225,056	(329,207)	(12.9%)
INTRA-FUND TRANSFERS	6,086,773	7,866,717	8,371,076	504,359	6.4%
TOTAL APPROPRIATIONS	**91,407,164**	**109,708,727**	**112,014,588**	**2,305,861**	**2.1%**
NET CHANGE	**(124,379)**	**(1,277,780)**	**0**	**1,277,780**	**(100.0%)**

STAFFING					
SOCIAL SERVICES DIVISION	670.75	678.75	686.25	7.50	1.1%
TOTAL STAFFING	**670.75**	**678.75**	**686.25**	**7.50**	**1.1%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget for Social Services projects a $1,028,081 net increase in revenues compared to the FY2016/17 Adopted Budget. The projected increase is primarily the result of the following:

- Increase of $3,799,964 in State revenues primarily for the CalWORKs, CalFresh and CWS programs. CWS will receive additional State General Fund allocations to fund Post 2011 Realignment activities such as case record reviews and Continuum of Care Reform (CCR) related activities.
- Decrease of $2,715,013 in federal revenues primarily for the CalWORKs program and CalWIN system, and health related funding for CWS.
- Decrease of $1,672,654 in combined 1991 and 2011 Realignment revenues consisting of a $1,964,234 decrease in 2011 Realignment and a $291,580 increase in 1991 Realignment. The estimated shortfall in 2011 Realignment necessitates an increased draw on 1991 Realignment funding in order to cover CWS expenditures.
- Increase of $533,333 in County General Fund Contribution in ODAS primarily due to anticipated increase in the County share of the IHSS Program administration costs as a result of the Governor’s January 2017 Budget proposal to discontinue IHSS MOE terms and conditions (see IHSS).
- Increase of $447,464 in prior year State and federal revenues due to an increase relative to the anticipated timing of receipts offset by a decrease in prior year revenues due to the absence of one-time FY2016/17 budgeted revenue which will not be budgeted in FY2017/18.
- Increase of $95,300 in Other Revenue representing estimated transfers from the Wraparound Reinvestment Funds, available to expand or enhance services and resources for children and their families.

The FY2017/18 Recommended Budget for the Social Services Divisions projects a $2,305,861 net increase in appropriations compared to the FY2016/17 Adopted Budget. The projected increase results primarily from the following:

- Increase of $3,366,924 in Salaries and Benefits primarily due to merit increases, longevity pay, and an increase in the employer’s share of retirement contributions, and several additional revenue offset postions.

- Decrease of $556,743 in Services and Supplies attributable to a net decreases in planned technology projects and a reduction in budgeted CWS contracted services.
- Decrease of $1,059,472 in Other Charges consisting of decreases in direct costs for CalWORKs clients and housing support services, the elimination of the IHSS MOE per the proposed January 2017 Governor's Budget, and a decrease in Social Services' allocated share of County overhead costs.
- Increase of $380,000 in Fixed Assets representing increase in cost of budgeted automation and improvement projects of E&E.
- Decrease of $329,207 in Other Financing Uses largely resulting from a decrease in anticipated small projects.
- Increase of $504,359 in Intrafund Transfers primarily from an increase in the Social Services' allocated share of H&SS administration costs.

SUMMARY OF POSITION CHANGES

Changes in the Division's position allocations since the adoption of the FY2016/17 Budget are provided below by program:

Employment and Eligibility Services

The FY2017/18 Recommended Budget includes the following revenue offsetposition changes:

- Add 2.0 FTE Social Worker II Limited-Term to 6/30/19 to implement a Supplemental Security Income (SSI) Advocacy pilot program (See pending issues and policy considerations for additional information)
- Add 1.0 FTE Hiring and Training Coordinator TBD to oversee Division wide training
- Delete 1.0 FTE Office Assistant III
- Delete 1.5 FTE Office Assistant II

Child Welfare Services

The Midyear Report approved by the Board on February 7, 2017, included the following:

- Add 1.0 FTE Paralegal due to amount of legal documentation requirements associated with increased caseload

The FY2017/18 Recommended Budget includes the following position changes intended to support new mandates and revenue offset:

- Add 2.0 FTE Social Worker II to support increased CWS mandates
- Add 1.0 FTE Social Worker II bilingual Spanish to support increased CWS mandates
- Add 1.0 FTE Office Assistant II to provide clerical support for the Out-of-Home Services unit

Older and Disabled Adult Services

On August 9, 2016, the Board approved the following position changes:

- Delete 1.0 FTE Deputy Director H&SS-Social Programs
- Add 1.0 FTE Health Services Administrator
- Add 1.0 FTE Social Services Supervisors

On December 6, 2016, the Board approved the following position changes:

- Reclassify 2.0 FTE Office Assistant II to 1.0 FTE Social Services Worker

The Midyear Report approved by the Board on February 7, 2017, included the following:

- Reclassify 1.0 FTE Office Assistant III to Office Assistant II to accurately reflect the duties and responsibilities

The Third Quarter Report approved by the Board on May 9, 2016 included the following changes:

- Extend 0.50 FTE Limited-Term Social Worker II in order to support an average IHSS caseload of 295 cases per worker

The FY2017/18 Recommended Budget includes the following position changes:

- Add 1.0 FTE Social Worker II bilingual Tagalog to support caseload

PENDING ISSUES AND POLICY CONSIDERATIONS

Social Services Revenue Projection

Projecting revenues for Social Services continues to be a challenge due to variations in caseloads, staff time studies for programs, and available State and federal allocation information. Costs of the administration of Social Services programs are shared by federal, State, and County agencies based on ratios developed from the State quarterly County Expense Claim (CEC) (See glossary for definition) which may vary based on time study hours and caseloads. The timing of receipt of revenues also impacts forecasts. In developing the budget, various assumptions must be made based on these noted factors. If these assumptions do not hold true in FY2017/18, H&SS will report back at Midyear and/or Third Quarter to recommend the necessary budget adjustments.

1991 and 2011 Realignment

H&SS is projecting approximately $15.47 million in Realignment revenues in FY2017/18. The estimate is calculated by multiplying Solano County's percentage share of these projected sales tax and vehicle license fee revenues by the statewide amount projected in the Governor's Proposed Budget. Growth revenues have declined as a result of changes in the allocation percentage between Protective Services and Behavioral Health.

The majority of administration costs paid by 2011 Realignment are for CWS programs. H&SS is projecting that the FY2017/18 2011 Realignment revenues will not be enough to cover projected expenditures and the shortfall in 2011 Realignment revenue will be covered by 1991 Realignment. The FY2017/18 Recommended Budget relies on anticipated 1991 Realignment rollover funds from prior years to close the gap in 2011 Realignment funding. Although H&SS is projecting that there will be sufficient combined 1991 and 2011 Realignment revenues to cover projected expenditures in FY2017/18, future realignment receipts may not be sufficient to cover increasing administration and assistance costs (foster care and adoptions assistance). This poses a considerable and ongoing concern, particularly to CWS and APS programs that solely rely on Realignment funds to cover 100% nonfederal share of administration costs.

Because 1991 and 2011 Realignment are funded by sales tax and vehicle license fees, there may be a time when there will not be enough 1991 Realignment funds to cover the shortfall in 2011 Realignment, especially during an economic downturn, as receipts from both sources typically experience a downward trend during periods of poor economic performance. In addition, assistance costs may increase due to factors the County cannot control.

The State Controller's Office (SCO) released an audit of the Board of Equalization's (BOE) accounting and administrative controls which found material weaknesses in the allocation of sales and use tax revenue that resulted to incorrect amounts being deposited to each subaccount that including the 1991 and 2011 Realignment subaccounts. The SCO's findings may result in an unknown reallocation of sales and use tax revenue. For this reason, the FY2017/18 Recommended Budget does not include any Realignment growth to mitigate the potential recoupment of funds from Social Services.

Employment and Eligibility Services

The FY2017/18 Governor's Budget projects a decrease in the CalWORKs caseload of 5.4% and a decrease in the statewide allocation for CalWORKs Administration. Likewise, the Governor's Budget projects a 0.7% decrease in the CalFresh caseloads for the first time in 15 years which may contribute to a corresponding decrease in CalFresh Administration funding. The FY2017/18 Recommended Budget includes full funding assumptions for State and federal shares of CalWORKs and CalFresh Administration costs although the Governor's Budget proposes the above reductions in funding statewide. In general, State funding is allocated to individual counties based on a combination of different factors such as caseload and prior year actual spending. This information is not available at this time. In addition, there may be a possible redistribution among counties during the fiscal year which may cover possible overspending. H&SS will monitor CalFresh and CalWORKs spending during the year and will report back at Midyear and Third Quarter.

The CalFresh Match Waiver phase out process began in FY2015/16. Pursuant to Welfare and Institutions Code (WIC) section 18906.55, the waived portion of the County's share was 75% in FY2015/16, 50% in FY2016/17 and 25% in FY2017/18; therefore, in FY2017/18 counties are not required to pay 25% of the county's share of the nonfederal costs that are above their CalWORKs Maintenance of Effort as required by W&I Code section 15204.4. The potential additional County cost as a result of the waiver phase-out is not included in the FY2017/18 Recommended Budget. This is because the actual CalFresh allocation is not known at this point. H&SS will ask for additional County General Fund to cover any additional County cost because of the CalFresh Match Waiver phase out. H&SS will continue to monitor this and will report back at Midyear.

The FY2017/18 Recommended Budget assumes that the States' Medi-Cal allocation will be approximately $2 million above the current year's allocation which will fully fund the projected cost of Medi-Cal Administration in order to balance the budget. If the allocation is less than anticipated, it could result in overspending; however, unspent allocations by other counties are typically reallocated to those that overspend. The Division will monitor Medi-Cal spending and report back at Midyear FY2017/18.

The State is in the initial stages of developing a new county budgeting and allocation methodology for Medi-Cal Administration, which is expected to take place over the course of 2017. CWDA is engaged in this process and will be working with the State and county representatives to develop the new budget and allocation methodology to be implemented in FY2018/19. Until the methodology is developed, the Division cannot project the impact.

With the addition of two Social Worker II Limited-Term positions, E&E will implement a Supplemental Security Income (SSI) Advocacy two-year pilot program to assist disabled General Assistance (GA) clients with applying for SSI. The program is schedule to start in November 2017. The goal of the program is to reduce the length of time required for SSI approval which will decrease the time eligible for GA, and increase the number of cases repaid GA through recoupment once individuals are awarded SSI. SSI benefits provide recipients with significantly increased income in comparison to a monthly GA benefit. In 2016, the percentage of individuals unemployable due to a disability represented 51% of the GA caseload. The target population for the program will be all GA clients determined at intake or yearly reinvestigation to be unemployable due to disability who have not yet initiated a SSI application. The program will develop baseline metrics including average time on GA for clients deemed unemployable, the number of GA cases where recoupment is received for SSI awards, the SSI application national approval rate for initial applications and the national approval rate for initial application reconsiderations. These metrics will be used to evaluate the effectiveness of the pilot program.

Child Welfare Services

Through a process of reconciliation, the State of California reviews claims of Counties for State expenditures as well as 2011 Realignment CCR to determine the cost or savings. Assistance savings and administrative costs will be reconciled together for each county at the end of FY2017/18. Any assistance savings will be used to offset costs in administration. Increases in administrative costs will be addressed during the State's budget cycle to make counties whole. CDSS, in conjunction with CWDA and the Chief Probation Officers of California, has developed a reconciliation process on assistance costs. They are still in the process of developing a reconciliation methodology to capture increase in administration cost. The increase in administration costs due to CCR and RFA implementation is difficult to project at this point. In developing the budget, it is assumed that Counties will be funded 100% of State share of costs in CCR related activities.

Older and Disabled Adult Services

The IHSS MOE was intended to be a permanent long-term negotiated cost share approach between the State of California and counties, and replaced the County's share of cost for the administration of the IHSS program in the ODAS, IHSS provider wages and benefits, and IHSS Public Authority Administration. The Governor in his January 2017 Budget proposal for FY2017/18 included the discontinuance effective July 1, 2018, which in turn would result in the discontinuance of the Coordinated Care Initiative (CCI). The termination of the IHSS MOE as proposed in January, would reinstates the 35% county share of nonfederal IHSS program costs. In anticipation of this action the FY2017/18 Recommended Budget includes a $533,333 increase in County General Fund for IHSS Administration costs in ODAS.

The anticipated impact of the discontinuance of IHSS MOE is included under (Fund 152 - BU 1520).

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 to 1,100 caregivers enrolled in the plan; e) provide support to the IHSS Public Authority Advisory Committee; and f) perform any other functions as necessary for the operations of the Public Authority. Administrative functions of the Public Authority include mediation and intervention services between IHSS recipients and their caregivers to maintain a positive working relationship.

IHSS program staff in Older and Disabled Adult Services (ODAS) (BU 7680) provide coordinated case management services which includes program eligibility, intake assessments, annual reassessments, community referral resources, payroll assistance, and referrals to the IHSS Public Authority for recipient – provider matching services.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- During FY2015/16, provided registry services to 894 new IHSS recipients referred to the IHSS Public Authority by Older and Disabled Adults Services in FY15/16.
- During FY2015/16, held registry recruitment sessions throughout Solano County resulting in 167 applications from which 129 individuals were added as IHSS caregivers.
- In FY2015/16, the IHSS provider enrollment process was streamline with group provider enrollment sessions available at a variety of locations throughout the County every ten days. This streamlined process resulted in 1,467 new caregivers being added to the payroll system.

WORKLOAD INDICATORS

Indicators cover the period of FY2015/16.

- The IHSS Public Authority sent out 1,062 lists to IHSS recipients who requested caregivers.
- Public Authority staff logged a total of 720 hours of intervention and mediation services to ensure IHSS recipients remained safe and supported.
- Program staff provided training to 1,467 providers attending IHSS Provider Enrollment Orientation and maintained an average of 273 active caregivers on the registry.

BUREAU BUDGET SUMMARY

The Recommended Budget represents increases of $5,534,290 or 57.8% in both revenues and appropriations when compared to the FY2016/17 Adopted Budget.

<u>Primary Funding Sources</u>

The Recommended Budget total revenues of $15,113,855 which include an operating transfer-in of $1,035,279 from the IHSS Public Authority (BU 1521), $4,987,368 in 1991 Realignment (See glossary for definition), and $9,091,208 in County General Fund.

<u>Primary Costs</u>

The Recommended Budget includes appropriations for IHSS Public Authority administration (BU 7691), IHSS Public Authority

Advisory Committee (BU 7692) and the County share of IHSS provider wages (BU 7693).

IHSS Public Authority Administration (BU 7691) includes appropriations of $1,015,889 primarily for costs of the Administrator, social services workers and clerical staff, contracted services, allocated share of County and H&SS administration costs, and other operating costs.

IHSS Public Authority Advisory Committee (BU 7692) includes appropriations of $19,390 primarily for membership fees, outreach conferences, newsletters, and member stipends for meeting attendance.

IHSS Provider Wages (BU 7693) includes appropriations of $14,078,576 for the County share of IHSS provider wages.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	3,249,368	3,249,368	4,987,368	1,738,000	53.5%
OTHER FINANCING SOURCES	848,364	1,569,618	1,035,279	(534,339)	(34.0%)
GENERAL FUND CONTRIBUTION	4,501,027	4,760,579	9,091,208	4,330,629	91.0%
TOTAL REVENUES	**8,598,759**	**9,579,565**	**15,113,855**	**5,534,290**	**57.8%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	627,376	793,524	710,243	(83,281)	(10.5%)
SERVICES AND SUPPLIES	92,495	135,583	135,892	309	0.2%
OTHER CHARGES	7,777,061	8,539,843	14,143,788	5,603,945	65.6%
OTHER FINANCING USES	23,850	24,577	21,835	(2,742)	(11.2%)
INTRA-FUND TRANSFERS	77,978	86,038	102,097	16,059	18.7%
TOTAL APPROPRIATIONS	**8,598,759**	**9,579,565**	**15,113,855**	**5,534,290**	**57.8%**
NET CHANGE	**0**	**0**	**0**	**0**	**0.0%**
STAFFING					
IN-HOME SUPPORTIVE SERVICES PA	6	7	6.00	(1.00)	(14.3%)
TOTAL STAFFING	**6**	**7**	**6.00**	**(1.00)**	**(14.3%)**

BUREAU COMMENTS

None.

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget projects a $5,534,290 net increase in revenues compared to FY2016/17 Adopted Budget primarily due to increases in the required County General Fund for IHSS provider wages as a result of discontinuance of IHSS Maintenance of Effort (MOE) effective July 1, 2017 (discussed in detail in Fund 152 – BU 1520).

The revenue for IHSS Public Authority (BU 7691) and IHSS Public Authority Advisory Committee (BU 7692) administrative costs are 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 County share of IHSS provider wages is budgeted in BU 7693, and these costs are not transferred to (Fund 152 – BU 1520).

The FY2017/18 Recommended Budget projects a $5,534,290 net increase in appropriations compared to FY2016/17 Adopted Budget. The projected increase results primarily from the following changes:

- A decrease of $83,281 in Salaries and Benefits primarily due to 1.0 FTE Social Services Worker included in FY2016/17 Adopted Budget being transferred to ODAS.
- A net increase of $13,626 in Services and Supplies, Other Financing Uses (Trans-Out POBs) and Intrafund Transfers primarily due to increase in allocated share of H&SS administration costs.

- An increase of $5,603,945 in Other Charges primarily due to the Governor's January 2017 Proposed Budget for FY2017/18 recommending the discontinuance of the IHSS MOE effective July 1, 2017. This represents the anticipated County share of IHSS Provider wages from the discontinuance of IHSS MOE.

SUMMARY OF POSITION CHANGES

- Transferred 1.0 FTE Social Services Worker included in FY2016/17 to ODAS

PENDING ISSUES AND POLICY CONSIDERATIONS

See Pending Issues and Policy Considerations under IHSS 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) (See glossary for definition), Refugee Resettlement Program, Adoptions Assistance Program, Foster Care Assistance, and General Assistance (GA), Approved Relative Caregiver (ARC), Work Incentive Nutritional Supplement (WINS), State Utility Assistance Subsidy (SUAS), and Low Income Home Energy Assistance Program (LIHEAP) 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 constant changes in federal and state regulations, court decisions and economic conditions. Expenditures for General Assistance are supported 100% by the County General Fund. The FY2017/18 budget includes an estimated General Fund contribution of $3,980,638 based on the current trend in caseload. General Assistance is not always predictable, which makes budgeting for this program a challenge.

Adoptions Assistance and Foster Care. The Pending Issues section provides a brief discussion of the fiscal impact of Continuum of Care Reform (CCR) and the assumptions used in projecting the cost of Adoptions Assistance and Foster Care. Phase 1 of the new rate setting system associated with CCR is included in the cost projections. Projections will be reviewed at Midyear to determine the impact of Phase II, implemented December 1, 2017.

Both Foster Care and Adoptions Assistance programs are included in the 2011 Public Safety Realignment legislation (See glossary for definition) that redirected sales tax revenues to counties to fund the State's share of these programs. 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.

CalWORKs Assistance. This program was realigned with 2011 Realignment differently from other programs. The State shifted Proposition 63 – Mental Health Services Act (MHSA) (See glossary for definition) funding on a one-time basis in order to fund Mental Health Programs which were, at that time, funded through 1991 Realignment (See glossary for definition). The State then shifted the freed up 1991 Mental Health Realignment funds to pay for CalWORKs Assistance costs.

In addition, AB 85 (See glossary for definition) changed the 1991 Realignment structure to enable counties' indigent health care savings to be captured and redirected to pay for CalWORKs State General Fund assistance costs, thereby freeing up State General Fund that to pay for the State's Medi-Cal expansion costs. The State added subaccounts in the 1991 Realignment structure, namely the Family Support Account, funded with 1991 Realignment Sales Tax revenues and the Child Poverty and Family Supplemental Support, funded by Vehicle License fees.

To provide funding for the Child Poverty and Family Supplemental Support subaccount, AB 85 changed the 1991 Realignment general growth formulas, capping general growth for the Health subaccount at 18.45% and eliminating general growth funding for Social Services. Funding in Child Poverty and Family Supplemental Support subaccount is used to fund CalWORKs assistance grant increases and the repeal of the Maximum Family Grant (MFG) rule (See glossary for definition), effective January 1, 2017. 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. The Governor's FY2017/18 proposed budget assumes that there are currently not enough funds in the subaccount to fully fund all the CalWORKs assistance grant increases and the MFG repeal and therefore adds additional State General Fund to cover the shortfall.

CalWORKs Assistance budget is projected to decrease in FY2017/18 due to declining caseloads.

During FY2017/18, 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. The County Administrator's Office will closely monitor expenditures of the Assistance Programs; if adjustments are required they will 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 decreases of $4,831,969 or 8.4% in both revenues and appropriations when compared to the FY2016/17 Adopted Budget. The County General Fund (CGF) Contribution of $3,980,638 represents a decrease of $248,969 or 5.9%.

Primary Funding Sources

The primary funding sources are federal entitlement funds, State funds, 1991 and 2011 Realignment, and CGF. Federal funds include Foster Care and Adoptions Assistance (Title IV-E), CalWORKs or Temporary Assistance for Needy Families (TANF) (See glossary for definitions), and Title XX federal funds.

Primary Costs

The primary cost centers for this budget are as follows:

Adoptions Assistance (BU 7901): The recommended appropriation is $7,297,157 funded by $2,786,643 in federal funds and $4,510,514 in 1991 and 2011 Realignment funds. There is no CGF to cover Adoptions Assistance costs.

Foster Care Assistance: Includes Kinship Guardianship Assistance Payment Program (Kin-GAP) (BU 7902) projected at $1,019,913, Foster Care (BU 7903) projected at $12,982,357, and County Only Foster Care (BU 7908) projected at $171,254 for a combined total recommended appropriation of $14,173,524. These programs are funded by $274,775 in State funds, $3,849,395 in federal funds, $9,409,273 in 1991 and 2011 Realignment funds, and $640,081 in CGF.

CalWORKs Assistance (BU 7904): The recommended appropriation is $27,517,823 is funded by $4,694,698 in federal funds, $2,885,885 in State funds and $19,321,850 in 1991 Realignment funds. The CGF portion is $615,390.

Refugee Assistance (BU 7906): The recommended appropriation is $4,260 is funded 100% with federal funds.

General Assistance (BU 7907): The recommended appropriation is $2,720,404 is funded 100% with CGF.

Approved Relative Caregiver (BU 7909): The recommended appropriation is $436,345 and is funded with $224,092 State and $186,052 federal Funds, $21,438 Realignment funds, and $4,763 in CGF.

Work Incentive Nutritional Supplement (WINS), State Utility Assistance Subsidy (SUAS) and Low Income Home Energy Assistance Program (LIHEAP) (BU 7911): The recommended appropriation of $375,556 is funded 100% with State funds.

Contracts

The recommended appropriations for Social Services include $635,205 in contracted direct services for the provision of adoption and wraparound services. H&SS will return to the Board after the FY2017/18 Budget Hearings with a master list of contracts for the Board's consideration.

DEPARTMENT COMMENTS

None.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	37,434,384	38,815,091	37,023,383	(1,791,708)	(4.6%)
INTERGOVERNMENTAL REV FEDERAL	12,648,024	14,312,340	11,521,048	(2,791,292)	(19.5%)
GENERAL FUND CONTRIBUTION	4,078,447	4,229,607	3,980,638	(248,969)	(5.9%)
TOTAL REVENUES	**54,160,855**	**57,357,038**	**52,525,069**	**(4,831,969)**	**(8.4%)**
APPROPRIATIONS					
OTHER CHARGES	54,011,282	57,357,038	52,525,069	(4,831,969)	(8.4%)
OTHER FINANCING USES	149,573	0	0	0	0.0%
TOTAL APPROPRIATIONS	**54,160,855**	**57,357,038**	**52,525,069**	**(4,831,969)**	**(8.4%)**
NET CHANGE	**0**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget for Assistance Programs represents a decrease of $4,831,969 in revenues compared to the FY2016/17 Adopted Budget.

Factors contributing to the budget changes include:

Adoptions Assistance Program shows a $556,958 or 8.3% increase in both revenues and appropriations compared to the FY2016/17 Adopted Budget.

- The estimated average grant increased from $959 in FY2016/17 Adopted Budget to $1,105 in FY2017/18 with no significant change in caseloads.
- An increase of 12.8% is reflected in both 2011 Realignment and 1991 Realignment funds budgeted for this program.

Foster Care Assistance programs show a 6.2% or $931,689 net decrease in both revenues and appropriations compared to the FY2016/17 Adopted Budget.

- Kin-GAP (BU 7902) – Costs are projected to increase by $256,445 or 33.6% when compared to FY2016/17 Adopted budget. FY2017/18 cost estimates are based on estimated 93 average cases at $916 average grant per month.
- Foster Care (BU 7903) – Costs are expected to decrease by $1,267,252 or 8.9% when compared to FY2016/17 Adopted Budget due to declining caseloads based on CA800 Assistance claim information despite rate increases assumed due to the implementation of the AB 403 - Continuum of Care Reform (CCR) (See glossary for definition).
- County Only Foster Care (BU 7908) – Costs are projected to increase by $79,118, or 85.9% when compared to FY2016/17 Adopted Budget. FY2017/18 costs are estimated based on current year average. Budgeted costs are to be funded with 60% 1991 Realignment funds and 40% CGF.
- The County General Fund in these three budgets is increasing by $81,581.

CalWORKs Assistance program shows a $4,509,013 or 14.1% decrease in both revenues and appropriations when compared to the FY2016/17 Adopted Budget. CalWORKs caseloads continue to experience a downward trend. FY2017/18 cost estimates are based on estimated 4,216 average cases at $544 average grant per month. The decrease in costs resulted in a $104,977 or 14.6% reduction in CGF.

General Assistance costs are projected to decrease by $228,688 or 7.8% when compared to FY2016/17 Adopted Budget. Costs are 100% funded with CGF thereby decreasing CGF contribution by $228,688. The Recommended Budget includes an estimated average monthly caseload of 676 with average monthly grant of $385 per case.

Approved Relative Caregiver program shows a $266,213 or 156.5% decrease in both revenues and appropriations when compared to the FY2016/17 Adopted Budget.

- Implemented in June 2015, the ARC program provides an augmentation to the rate paid for non-federally eligible Foster Care children who are placed with relatives. The ARC program provides a supplemental amount above the CalWORKs grant to bring the total payment to relative caregivers equal to the same amount as the Foster Care rate paid to federally eligible children who are not placed with relatives until December 31, 2016. With CCR implementation, ARC payments will be equal to the home-based family care rate basic level beginning January 1, 2017.
- ARC caseload continues to increase since the implementation of the program in June 2015. Average monthly caseload increase increased from 23 in FY2015/16 to 33 in FY2016/17. Average monthly caseload is projected to increase to 36 in FY2017/18.

Work Incentive Nutritional Supplement (WINS), State Utility Assistance Subsidy (SUAS) and Low Income Home Energy Assistance Program (LIHEAP) program shows a $25,110 or 7.2% decrease in both revenues and appropriations when compared to the FY2016/17 Adopted Budget. 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 (See glossary for definition) grant.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

Continuum of Care Reform (CCR)

The fiscal impact of CCR still unknown. CCR requires the implementation of a new rate setting system. This new rate structure will be implemented in two phases, with the first phase commenced on January 1, 2017. Phase II rates will be implemented effective December 1, 2017.

In conjunction with County Welfare Directors Association (CWDA) and the Chief Probation Officers of California (CPOC), the California Department of Social Services (CDSS) developed a reconciliation methodology for CCR to determine the cost or savings of the program. CDSS will use actual expenditure data for FY2015/16 to calculate the average cost per case prior to CCR for each county for the following programs: Foster Care (FC), Adoption Assistance Program (AAP), Kinship Guardianship Assistance Program (Kin-GAP), Federal Kinship Guardianship Assistance Program (Fed-GAP), Extended Foster Care (EFC) and Emergency Assistance (EA). This average cost per case prior to CCR will be compared to actual expenditures from the County Assistance 800 (CA 800) claim and County Expense Claim (CEC) (See glossary for definition) to calculate the amount of County General Fund and 2011 Realignment required for CCR. Savings are expected to be generated from the movement of current group home (GH) placements to lower levels of care (i.e., family-based settings). Cases that do not move to lower levels of care may enter a Short-Term Residential Treatment Program (STRTP), which should result in less time in congregate care than a traditional GH. It is too early to determine if these savings will materialize and what, if any, impact the new rate structure will have on assistance costs over the long-term. Hence, the new rates effective December 1, 2017 were not used in developing the FY2017/18 Recommended Budget for foster care and adoptions assistance programs.

1991 and 2011 Realignment

Issues surrounding 1991 and 2011 realignment to fund adoption and foster care assistance costs are discussed under Pending Issues and Policy Considerations section of Department 7680 - Social Services.

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	3,850,257	4,743,973	5,303,697	559,724	11.8%
9600 MHSA	15,440,578	19,640,133	18,279,214	(1,360,919)	(6.9%)
7950 TOBACCO PREVENTION & EDUCATION	150,709	232,829	795,162	562,333	241.5%
APPROPRIATIONS					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	3,850,257	4,743,972	5,303,697	559,725	11.8%
9600 MHSA	13,530,538	19,090,245	20,549,932	1,459,687	7.6%
7950 TOBACCO PREVENTION & EDUCATION	163,210	232,829	795,162	562,333	241.5%
NET CHANGE					
1520 IN HOME SUPP SVCS-PUBLIC AUTH	0	(1)	0	1	(100.0%)
9600 MHSA	(1,910,040)	(549,888)	2,270,718	2,820,606	(512.9%)
7950 TOBACCO PREVENTION & EDUCATION	12,502	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 serve as the governing Board for this separate 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.

This budget unit includes administrative costs incurred by the IHSS Public Authority (BU 7691), IHSS Advisory Committee (BU 7692) and health benefits plan costs for IHSS providers. The required County General Fund contribution for these functions is budgeted in this fund. The County General Fund (CGF) share for IHSS provider wages is in the IHSS Public Authority BU 7693.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

The Public Authority administers a supplemental health benefits plan for an average of 1,100 IHSS providers per the IHSS Caregiver Memorandum of Understanding. As of July 2016, all eligible providers requesting to be enrolled in the Health Plan are enrolled within 30 days of receiving their request.

WORKLOAD INDICATORS

Relevant workload indicators are incorporated in H&SS Social Services IHSS Public Authority Bureau (BU 7690).

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of $559,725 or 11.8% in both revenues and appropriations when compared to the FY2016/17 Adopted Budget. The County General Fund (CGF) contribution of $909,972 is budgeted to increase by $370,245 or 68.6% as a result of the Governor’s January 2017 Budget proposal for FY2017/18 to terminate existing IHSS Maintenance of Effort (MOE) effective July 1, 2017.

Primary Funding Sources

The primary funding source for this Budget is Federal Title XIX (Medi-Cal funding), State funds and a required match from the County General Fund.

Primary Costs

The primary costs appropriated in this budget reflect the cost of health benefits for care providers, allocated share of Countywide Administrative Overhead, and interest expense. In addition, the cost of IHSS Public Authority administration (BU 7691) and IHSS PA Advisory Committee (BU 7692) in the amount of $1,035,279 is transferred to this budget for claiming federal and State reimbursements. Administrative costs are budgeted as an operating transfer out to (BU’s 7691 and 7692) where the Public Authority administrative operating staff and Advisory Committee expenditures are appropriated.

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 is adjusted annually.

DEPARTMENT COMMENTS

None.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	1,324,545	1,994,499	1,605,602	(388,897)	(19.5%)
INTERGOVERNMENTAL REV FEDERAL	2,018,111	2,209,747	2,788,123	578,376	26.2%
GENERAL FUND CONTRIBUTION	507,601	539,727	909,972	370,245	68.6%
TOTAL REVENUES	**3,850,257**	**4,743,973**	**5,303,697**	**559,724**	**11.8%**
APPROPRIATIONS					
OTHER CHARGES	3,001,893	3,174,354	4,268,418	1,094,064	34.5%
OTHER FINANCING USES	848,364	1,569,618	1,035,279	(534,339)	(34.0%)
TOTAL APPROPRIATIONS	**3,850,257**	**4,743,972**	**5,303,697**	**559,725**	**11.8%**
NET CHANGE	**0**	**(1)**	**0**	**1**	**(100.0%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget projects a $559,725 net increase in revenues compared to FY2016/17 Adopted Budget. The projected increase results from the following changes:

- A decrease of $388,897 in State revenues due to a proposed decrease in the State's share of costs.
- An increase of $578,376 in federal revenues.
- An increase of $370,245 in CGF primarily to cover increase in County share of cost of IHSS provider benefits and IHSS PA administration as a result of discontinuance of IHSS Maintenance of Effort (MOE) effective July 1, 2017.

The FY2017/18 Recommended a proposed Budget a projects a $559,725 net increase in appropriations compared to FY2016/17 Adopted Budget. The projected increase results from the following:

- An increase of $1,088,975 in the cost of health benefits of care providers primarily due to increases in projected paid provider hours.
- An increase of $35,089 on allocated share of Countywide Administrative costs and interest expense on county pool.
- A decrease of $534,339 in Other Financing Uses primarily representing the IHSS MOE included in the FY2016/17 Adopted Budget (BU 7693) that no longer has appropriations in FY2017/18 due to discontinuance of IHSS MOE.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

In FY2012/13 the Governor and CSAC negotiated changes to the IHSS program, referred to as the Coordinated Care Initiative (CCI) intended to improve coordination of health care and long-term services and support for seniors and persons with disabilities and reduce the overall costs of providing care. CCI replaced counties' 35% share of nonfederal IHSS program costs with an IHSS MOE based on each county's FY2011/12 IHSS expenditures. IHSS MOE program costs include: (1) the cost of administration of the IHSS program in the Older and Disabled Adult Services Division (ODAS) (BU 7680), (2) the cost of IHSS provider wages (BU 7693) and health benefits, and (3) the cost of IHSS Public Authority administration (BU 7691). Continuation of the IHSS MOE and CCI implementation Statewide has been contingent on the success of CCI pilot projects in seven counties. In January 2017, the Governor's proposed budget estimates that the CCI is not cost effective. Hence, he proposed the CCI be discontinued effective July 1, 2017 ending the IHSS MOE and reinstate a 35% County share of all nonfederal IHSS program costs through 1991 Realignment (See glossary for definition).

Since the implementation of IHSS MOE in FY2011/12, IHSS program costs have significantly increased due to factors counties have little or no control of such as the implementation of Federal Labor Standards Act Regulations implementing overtime pay and newly compensable work activities, restoration of a prior 7% reduction in IHSS services hours effective July 1, 2014, minimum wage increases, and caseload increases.

The elimination of IHSS MOE will create significant funding challenges for counties if it continues as proposed. The current IHSS MOE of $9,224,657 is funded with $3,249,368 1991 Realignment and $5,975,289 CGF. The FY2017/18 Recommended Budget includes the same level of funding from 1991 Realignment, the transfer of 1991 Realignment – Public Health funding of $1,738,000 and a projected increase in CGF of $5,151,664. The increase in CGF results from the following component increases in IHSS program costs:

- $541,024 in IHSS administration (ODAS).
- $120,447 in IHSS Public Authority administration.
- $4,227,360 in IHSS provider wages.
- $262,833 in IHSS provider health benefits.

1991 Realignment Social Services funds are proposed to cover the initial budget shift anticipated but are primarily used to fund the County share of cost of Child Welfare Services, the shortfall in 2011 Realignment (See glossary for definition) to cover what used to be the State share of costs of realigned. However, H&SS cannot rely on 1991 Realignment to fund the increase in County share of IHSS program costs and will need additional CGF in addition to the requested 10% transfer of 1991 Realignment Public Health funds. Current issues and estimates surrounding the 1991 Realignment funds for Social Services are further discussed under H&SS Social Services Division 7680.

Additional County Cost exposure in future years include future scheduled minimum wage increases will cause IHSS program costs to increase. Current law provides that the State only participates in funding IHSS provider wages and health benefits up to $12.10 per hour thus placing the responsibility on counties to fund 100% of the nonfederal costs above $12.10. Solano County's rate per hour is $12.10, with $11.50 in wages and $0.60 in benefits. On January 1, 2020, the minimum wage will increase to $12.00 per hour, increasing Solano County's rate to a total of $12.60, $0.40 above the State's current participation rate. Minimum wage will continue to increase up to $15.00 per hour on January 1, 2023. With the scheduled wage increases along with increasing provider hours, IHSS program costs are expected to increase and will present ongoing fiscal challenges to Solano County.

The State of California Department of Finance, the Governor's Office and CSAC Executive Board and a committee from the Count Administrator's Association have been meeting and attempting to negotiate an alternative solution to termination and resulting in an enormous cost shift to counties. It is likely that prior to Budget Hearing for FY2017/18 this program funding methodology and impact to Solano County will change, if so this will be discussed and presented to the Board for consideration and further budget deliberation and action.

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 RESPONSIBILITIES

MHSA was established in November 2004 with the passage of Statewide Proposition 63 which placed a 1% tax on personal income in excess of $1 million. MHSA provided the first opportunity in many years for the California Department of Mental Health (DMH) to increase funding for personnel and other resources to support county mental health programs and to monitor progress toward statewide goals for children, transition age youth, adults, older adults and families. MHSA was intended to address a broad continuum of prevention, early intervention and treatment services, including the necessary infrastructure, technology and training elements that effectively support the mental health system. Much of the MHSA funding was intended to provide County Mental Health program funds for their local plans. However, due to the sharp economic decline, Proposition 63 was instead used to sustain, rather than enhance mental health services. The proposition funding initially was intended to comprise 10% of the public mental health budget, State actions have resulted in MHSA accounting for approximately 24% of all public mental health.

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. The most recent MHSA Three Year Plan proposes to expand adult services to include a mobile crisis program and expanding children's school based services and services to underserved, targeted populations.

WORKLOAD INDICATORS

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

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents a decrease of $1,360,919 or 6.9% in revenues and an increase of $1,459,687 or 7.6% in appropriations when compared to the FY2016/17 Adopted Budget. There is no County General Fund Contribution to this fund. MHSA revenues are directly recognized in this fund and transferred to Fund 902 to reimburse MHSA qualifying expenditures.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	215,206	200,763	206,576	5,813	2.9%
INTERGOVERNMENTAL REV STATE	15,225,371	19,428,713	18,072,638	(1,356,075)	(7.0%)
CHARGES FOR SERVICES	0	10,657	0	(10,657)	(100.0%)
TOTAL REVENUES	**15,440,578**	**19,640,133**	**18,279,214**	**(1,360,919)**	**(6.9%)**
APPROPRIATIONS					
OTHER CHARGES	433	64	275	211	329.7%
OTHER FINANCING USES	13,530,105	19,090,181	20,549,657	1,459,476	7.6%
TOTAL APPROPRIATIONS	**13,530,538**	**19,090,245**	**20,549,932**	**1,459,687**	**7.6%**
CHANGE IN FUND BALANCE	**(1,910,040)**	**(549,888)**	**2,270,718**	**2,820,606**	**(512.9%)**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The decrease of $1,360,919 in revenues is primarily due to a projected decrease in Statewide MHSA revenues when compared to the FY2015/16 Adopted Budget. The State transfers 1.76% of all personal income tax payments to the MHSA fund monthly. An annual adjustment is done, typically two years later, to reconcile the fund. Depending on the result, the adjustment may be either positive or negative.

The increase of $1,459,687 in appropriations is primarily due to an increase in transfers out to Fund 902 for MHSA program costs. The transfer in expenditures from this Fund equal the MHSA revenues in Behavioral Health and the reason for the increase in expenditures is mentioned in the Behavioral Health (BU 7780) narrative. The projected draw on the restricted MHSA fund is $2,270,718.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The Department is monitoring the implementation of the No Place Like Home (NPLH) Program approved by the State, which will divert statewide MHSA funds to support $2 billion in bonds for affordable housing before allocations to Counties. Based on most recent information from the California Behavioral Health Director's Association (CBHDA), the diversion of MHSA funding will not begin until FY2017/18 and will be done in phases. Solano County has factored in the estimated diversion amount of $160,000 in planning for MHSA for FY2017/18.

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 (H&SS) and required by the California Department of Public Health (CDPH), Tobacco Control Program (TCP). 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 Proposition 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 CDPH, TCP. This program provides funds for 61 Local Lead Agencies, which operate community-based programs to prevent and reduce tobacco use. The TPEP is designated as Solano County's Local Lead Agency for tobacco control.

The TPEP focus is on five 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.

With the passage of Proposition 56 by California voters in November 2016, which added a $2.00 per pack tax, effective April 1, 2017, on cigarettes and other tobacco products, TPEP as the local lead agency will begin to receive additional funding in FY2017/18 to implement a comprehensive tobacco control plan that complements the existing Proposition 99 funded plan.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- In summer 2016, TPEP and other partners surveyed 199 tobacco retailers in seven cities. TPEP spearheaded the collaboration of substance abuse prevention providers, Nutrition Services, other Public Health staff, and the community, including 18 youth, to collect the second round of Healthy Stores for a Healthy Community survey data related to availability of alcohol, tobacco, healthy and unhealthy foods, and condoms. Data was released in a regional press conference held March 2017 and will be used to inform and guide the work of the Tobacco Education Coalition and the Healthy Stores for a Healthy Community subcommittee, as well as future scopes of work for Prop 99 and Prop 56 funds.
- In 2016, TPEP conducted an extensive Communities of Excellence in Tobacco Control Assessment for Solano County involving 19 community members, including the Tobacco Education Coalition, public health staff and other stakeholders. Based on the findings, TPEP developed a comprehensive tobacco control plan for the period 2017-2018. The assessment findings will also be used to develop the plan for the period from 2018 to 2021**.** Community education and education of stakeholders are underway and a policy is anticipated to go to City Councils in Summer/Fall 2017.

WORKLOAD INDICATORS

- Throughout 2016, TPEP collaborated with the Tobacco Education Coalition and Fighting Back Partnership to educate and engage approximately a dozen partners to limit the density and/or location of tobacco retailers next to schools and child-sensitive areas in Dixon. The policy is anticipated to go before the City Council in fall or winter.
- In 2016, TPEP coordinated a training on February 11, 2017 covering second-hand and third-hand tobacco smoke. The training was attended by members of the Tobacco Education Coalition, Smoke-Free Policy Subcommittee, Alcohol,

Tobacco and Other Drugs (ATOD) Prevention Collaborative, Suisun City Planning Commission, and Community Medical Centers. (Third-hand smoke is considered to be residual nicotine and other chemicals left on a variety of indoor surfaces by tobacco smoke. This residue reacts with common indoor pollutants to create a toxic mix).

- In 2016, TPEP collaborated with the Benicia Youth Action Coalition and Benicia Police Department to include combining tobacco retail license efforts with a project to reduce storefront advertising of such products. Community education and education of stakeholders are underway and a policy is anticipated to go to City Council in summer/fall 2017.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents an increase of $562,333 or 241.5% in both revenues and appropriations when compared to the FY2016/17 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 from Proposition 99 and the new Tobacco Funding from Proposition 56.

The increase of revenues of $562,333 is primarily due to funding from the recently passed Proposition 56.

The increase in appropriations of $562,333 is primarily due to an increase of $130,048 in Extra Help, $291,231 in Consulting Service, $100,000 in Contracted Services and $35,000 in Advertising, all in order to meet the requirements of Proposition 56.

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	709	300	720	420	140.0%
INTERGOVERNMENTAL REV STATE	150,000	232,529	794,442	561,913	241.7%
TOTAL REVENUES	**150,709**	**232,829**	**795,162**	**562,333**	**241.5%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	0	0	130,048	130,048	0.0%
SERVICES AND SUPPLIES	19,824	94,107	530,140	436,033	463.3%
OTHER CHARGES	3,762	2,367	4,039	1,672	70.6%
OTHER FINANCING USES	139,625	136,355	130,935	(5,420)	(4.0%)
TOTAL APPROPRIATIONS	**163,210**	**232,829**	**795,162**	**562,333**	**241.5%**
CHANGE IN FUND BALANCE	**12,502**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

Passage of Proposition 56 in November 2016 will increase revenues available for continued work by the TPEP. For FY2017/18 $562,333 of new revenue is anticipated and an initial allocation proposed.

SUMMARY OF POSITION CHANGES

There are no positions allocated to this budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

The passage of Proposition 56 is expected to generate a significant increase in funding to the TPEP program. This additional funding will be used to implement a comprehensive tobacco control plan that complements the existing Proposition 99 funded plan. At this time, the initial allocation amount for the program is preliminary and the details of how the funding is to be treated (e.g. combined in the same fund with Proposition 99 or kept separate) have not yet been finalized, but the funding is expected to be received prospectively beginning in the first quarter of FY2017/18. Once program guidance and funding are received from the State, the Division will return to the Board of Supervisors to authorize receipt of any additional funds and to approve an Appropriation Transfer Request, if necessary.

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 is a state-level First 5 Commission as well as 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 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. 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.

Budget Summary:	
FY2016/17 Third Quarter Projection:	3,710,878
FY2017/18 Recommended:	4,680,477
County General Fund Contribution:	0
Percent County General Fund Supported:	0%
Total Employees (FTEs):	6

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 basic needs and family strengthening services through neighborhood based family resource centers

In addition to direct services, First 5 Solano 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 known as Solano Kids Thrive; and a data collection/reporting system for its grantees.

In FY2016/17 First 5 Solano launched the 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 include cross system collaboration, increasing capacity of early childhood providers, and expanding financial resources for the early childhood system.

SIGNIFICANT CHALLENGES AND ACCOMPLISHMENTS

- Implemented the first year of the Commission's 2016-2018 Program Investment Plan to support vital programs in the community for young children.
- Participated in community activities to raise awareness of needs of young children, including highlighting the importance of play at the 2016 Solano County Fair's Giant Sandbox, and the importance of early literacy through the First 5 CA van at the 2nd Annual Family Justice Center Health Fair.
- Opened a high-quality early learning site in partnership with Child Start, Inc. at 275 Beck Ave, Fairfield.
- Collaborated with Northern California Grantors to share the Board of Supervisor's commissioned report "Foundation Giving in the Bay Area" with the goal of increasing resources to Solano County for vulnerable children and families. Initiated discussions with several foundations to identify funding opportunities.
- Continued valued community programs to improve outcomes for children, such as:
  - Partnered with Solano County Office of Education to enroll 30 early care and education providers in the IMPACT quality improvement program.
  - Assisted children and families through the Help Me Grow Solano call center.
  - Supported access to affordable health insurance coverage for over 600 pregnant women and young children through Solano Kids Insurance Program.
  - 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.
  - Served approximately 700 at risk families throughout the county with case management, financial planning and parent education.
  - Provided over 400 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, 2016 – June 30, 2017, First 5 Solano managed over 40 contracts and Memorandums of Understanding totaling over $3 million, which provided services to nearly 10,000 Solano residents.
- Provided services to nearly 10,000 Solano residents, including children, parents/caregivers, and providers of services to young children.
- 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	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
FIRST 5 SOLANO	4,393,289	4,109,744	3,910,102	(199,642)	(4.9%)
TOTAL REVENUES	**4,393,289**	**4,109,744**	**3,910,102**	**(199,642)**	**(4.9%)**
APPROPRIATIONS					
FIRST 5 SOLANO	5,156,866	4,758,106	4,680,477	(77,629)	(1.6%)
TOTAL APPROPRIATIONS	**5,156,866**	**4,758,106**	**4,680,477**	**(77,629)**	**(1.6%)**
CHANGE IN FUND BALANCE					
FIRST 5 SOLANO	763,576	648,362	770,375	122,013	18.8%
CHANGE IN FUND BALANCE	**763,576**	**648,362**	**770,375**	**122,013**	**18.8%**
STAFFING					
FIRST 5 SOLANO	7	7	6	(1)	-14.3%
TOTAL STAFFING	**7**	**7**	**6**	**(1)**	**-14.3%**

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents decreases of $199,642 or 4.9% in revenues and $77,629 or 1.6% in appropriations when compared to the FY2016/17 Adopted Budget.

To implement the second year of 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.

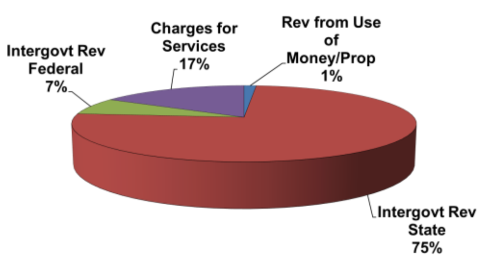
The primary funding source for First 5 Solano, Proposition 10 Tobacco Tax, continues to decline as expected. This is the primary source of the 4.9% decrease in revenues. Over the past 15 years, the Commission has been strategically spending its reserves to supplement the ongoing revenue to provide expanded services in the community.

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

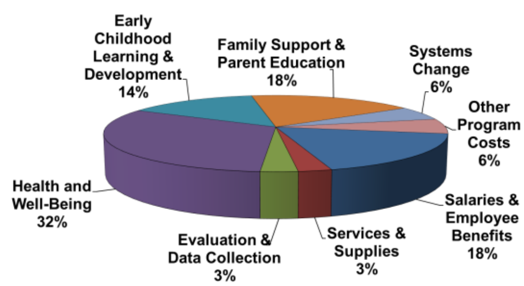
DEPARTMENTS COMMENTS

None.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	53,359	35,656	52,500	16,844	47.2%
INTERGOVERNMENTAL REV STATE	3,515,571	3,176,200	2,935,715	(240,485)	(7.6%)
INTERGOVERNMENTAL REV FEDERAL	193,492	251,047	276,543	25,496	10.2%
CHARGES FOR SERVICES	615,344	641,841	640,344	(1,497)	(0.2%)
MISC REVENUE	15,524	5,000	5,000	0	0.0%
TOTAL REVENUES	**4,393,289**	**4,109,744**	**3,910,102**	**(199,642)**	**(4.9%)**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	906,596	862,817	831,684	(31,133)	(3.6%)
SERVICES AND SUPPLIES	176,115	131,485	126,003	(5,482)	(4.2%)
OTHER CHARGES	4,008,066	3,736,928	3,699,083	(37,845)	(1.0%)
OTHER FINANCING USES	66,088	26,876	23,707	(3,169)	(11.8%)
TOTAL APPROPRIATIONS	**5,156,866**	**4,758,106**	**4,680,477**	**(77,629)**	**(1.6%)**
CHANGE IN FUND BALANCE	**763,576**	**648,362**	**770,375**	**122,013**	**18.8%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

The FY2017/18 Recommended Budget projects net decreases of $199,642 in revenues and $77,629 in appropriations.

The net decrease of $199,642 in revenues is primarily attributable to a projected decrease in Proposition 10 funding, offset slightly by an increase in revenue from First 5 California Improve and Maximize Programs so All Children Thrive (IMPACT) funding.

The net decrease of $77,629 in appropriations is primarily due to the deletion of a vacant 1.0 FTE Contract & Program Specialist, decreases in DoIT charges, a reduction in systems change expenditures, and decreases in Countywide Administrative Charges (A87).

SUMMARY OF POSITION CHANGES

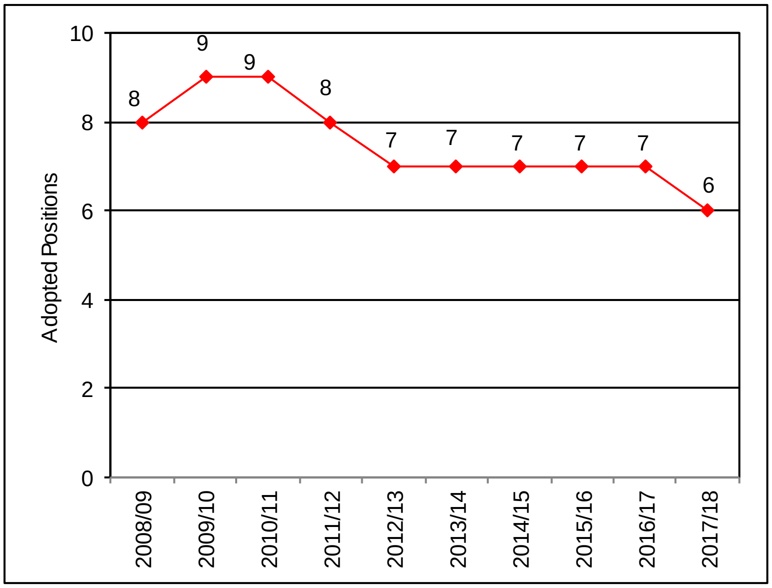
Changes in the position allocations since the adoption of the FY2016/17 Budget are provided below:

On February 7, 2017 as part of the Midyear Budget Report the Board approved the following changes in the Department's position allocations:

- Delete 1.0 FTE Contract & Program Specialist

The FY2017/18 Recommended Budget does not include any position changes.

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 decline. First 5 Solano had been 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 FY2017/18 Recommended Budget utilizes $770,375 from First 5 Solano's Reserves to cover expenditures. During FY2017/18, First 5 Solano will reassess its expenditures to determine spending levels for FY2018/19 and beyond.

DETAIL BY REVENUE AND APPROPRIATION OTHER ADMINISTERED BUDGETS	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
1570 GRANTS/PROGRAMS ADMIN	721,157	710,657	706,560	(4,097)	(0.6%)
APPROPRIATIONS					
1570 GRANTS/PROGRAMS ADMIN	711,545	710,657	706,560	(4,097)	(0.6%)
NET CHANGE					
1570 GRANTS/PROGRAMS ADMIN	(9,612)	0	0	0	0.0%

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

DEPARTMENTAL PURPOSE

This budget unit was established to track County Administrative Office/First 5 Solano's administration and program costs related to Solano Children's Alliance (SCA) and has expanded to include other Board of Supervisors approved programs/contributions outside of the scope of First 5 Solano Children and Families Commission such as management of the Family Resource Center contracts for children ages 6-18.

FUNCTION AND RESPONSIBILITIES

The SCA was formed by the Board of Supervisors in 1982 and charged with advising the Board on children's issues. The SCA's goal is to improve the lives of children in Solano County through education, advocacy, coordination of community services, and community-based collaborative. In 2013, the Solano Child Abuse Prevention Council (CAPC) merged with the SCA, and the SCA 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 (SCLPC), whose mission is to ensure that all families and children in Solano County have access to quality and affordable child care. The SCLPC is primarily funded by the California Department of Education.

In addition to the contracts mentioned above, First 5 Solano manages of a number of General Fund funded family support contracts for families with children aged 6-18. First 5 Solano manages similar First 5 funded contracts with the same entities for children aged 0-5 for the same/similar purposes: to increase high-risk families' access to countywide, 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 over 500 at-risk families, including case management, financial planning and parent education.

WORKLOAD INDICATORS

- Maintained eight direct service contracts.

DEPARTMENTAL BUDGET SUMMARY

The Recommended Budget represents a decrease of $4,097 or 0.6% in revenues and appropriations when compared to the FY2016/17 Adopted Budget due to a small change in one Family Resource Center contract for FY2017/18.

The Recommended Budget includes a General Fund Contribution of $616,560 which is a $4,097 decrease from the FY2016/17 Adopted Budget. The General Fund Contribution includes $118,750 for the SCA/CAPC, $435,310 for the FRC contracts, $12,500 for the Local Child Care Planning Council, and $50,000 for contract management.

The Recommended Budget also includes $90,000 in revenue and expenditure from the Children's Trust Fund. The Children's Trust Fund is supported through birth certificate fees and donations. The SCA is responsible for making recommendations on the use and appropriation from Children's Trust Fund. In March 2017, the SCA recommended an allocation of $90,000 for FY2016/17: $38,157 to Family Resource Centers, $39,871 for Family Resource Center coordination, and $11,972 for Children's Alliance/CAPC. This allocation is the same as FY2016/17.

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

DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
REVENUE FROM USE OF MONEY/PROP	1,230	0	0	0	0.0%
CHARGES FOR SERVICES	87,428	90,000	90,000	0	0.0%
GENERAL FUND CONTRIBUTION	632,499	620,657	616,560	(4,097)	(0.7%)
TOTAL REVENUES	**721,157**	**710,657**	**706,560**	**(4,097)**	**(0.6%)**
APPROPRIATIONS					
SERVICES AND SUPPLIES	20,000	0	0	0	0.0%
OTHER CHARGES	691,545	710,657	706,560	(4,097)	(0.6%)
TOTAL APPROPRIATIONS	**711,545**	**710,657**	**706,560**	**(4,097)**	**(0.6%)**
NET CHANGE	**(9,612)**	**0**	**0**	**0**	**0.0%**

SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

PENDING ISSUES AND POLICY CONSIDERATIONS

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

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:	
FY2016/17 Third Quarter Projection:	666,797
FY2017/18 Recommended:	715,037
County General Fund Contribution:	440,037
Percent County General Fund Supported:	61.5%
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 19% as is the State of California. Solano County is currently at 35.2% in the number of veterans taking advantage of the benefits they have earned by serving our country. 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 $28 million new dollars into the pockets of veterans and dependents by filing 4,565 claims that resulted in an average of $15,545 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 keeping federal dollars flowing into the county.

WORKLOAD INDICATORS

This CVSO workload has increased from an average of 57 veterans per day in 2016 to 60 veterans a day in 2017. To continually serve this population at this higher daily average rate, at its Third Quarter Budget Hearing on May 9, the Board approved extending the Limited-Term Veterans Services Counselor position to June 30, 2018 with the anticipation that the CVSO will receive $275,000 in revenues from the State to fund the position.

DETAIL BY REVENUE AND APPROPRIATION FUNCTIONAL AREA	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
VETERANS SERVICES	208,985	275,000	275,000	0	0.0%
TOTAL REVENUES	**208,985**	**275,000**	**275,000**	**0**	**0.0%**
APPROPRIATIONS					
VETERANS SERVICES	596,622	671,951	715,037	43,086	6.4%
TOTAL APPROPRIATIONS	**596,622**	**671,951**	**715,037**	**43,086**	**6.4%**
NET COUNTY COST					
VETERANS SERVICES	387,637	396,951	440,037	43,086	10.9%
NET COUNTY COST	**387,637**	**396,951**	**440,037**	**43,086**	**10.9%**
STAFFING					
VETERANS SERVICES	6	6	6	0	0.0%
TOTAL STAFFING	**6**	**6**	**6**	**0**	**0.0%**

DEPARTMENTAL BUDGET SUMMARY

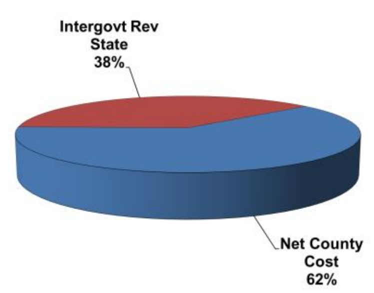
The CVSO is primarily funded by the General Fund. Expenditures are largely due to Salaries and Employee Benefits. Revenues are received from the State through a subvention program that provides $5,600,000 statewide to help offset costs to the counties for providing services to veterans. This funding is distributed based on individual counties' workload data. Solano County has consistently ranked in the top counties for workload and consequently received subvention revenues. Solano County receives $275,000 in subvention funding.

The Recommended Budget represents no change in revenues, from the State to provide veteran services activities and an increase of $43,806 or 6.4% in appropriations when compared to the FY2016/17 Adopted Budget. The increase in appropriations are primarily due to Salaries and Employee Benefits for retirement and healthcare totaling $35,843 and an increase in Countywide Administrative Overhead costs attributed to an accounting calculation change for building use charges of $12,055.

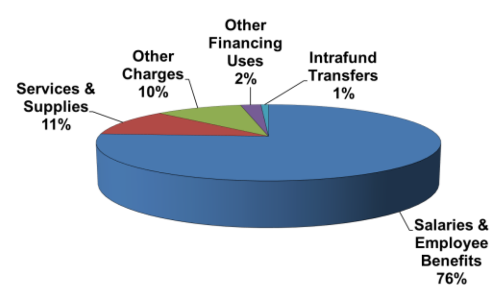
DEPARTMENT COMMENTS

None.

SOURCE OF FUNDS



USE OF FUNDS



DETAIL BY REVENUE CATEGORY AND APPROPRIATION CATEGORY	2015/16 ACTUAL	2016/17 ADOPTED BUDGET	2017/18 RECOMMENDED	FROM ADOPTED TO RECOMMENDED	PERCENT CHANGE
REVENUES					
INTERGOVERNMENTAL REV STATE	208,985	275,000	275,000	0	0.0%
TOTAL REVENUES	**208,985**	**275,000**	**275,000**	**0**	**0.0%**
APPROPRIATIONS					
SALARIES AND EMPLOYEE BENEFITS	491,630	507,667	543,510	35,843	7.1%
SERVICES AND SUPPLIES	38,520	86,789	80,210	(6,579)	(7.6%)
OTHER CHARGES	42,640	57,231	69,286	12,055	21.1%
OTHER FINANCING USES	18,235	14,264	16,031	1,767	12.4%
INTRA-FUND TRANSFERS	5,597	6,000	6,000	0	0.0%
TOTAL APPROPRIATIONS	**596,622**	**671,951**	**715,037**	**43,086**	**6.4%**
NET COUNTY COST	**387,637**	**396,951**	**440,037**	**43,086**	**10.9%**

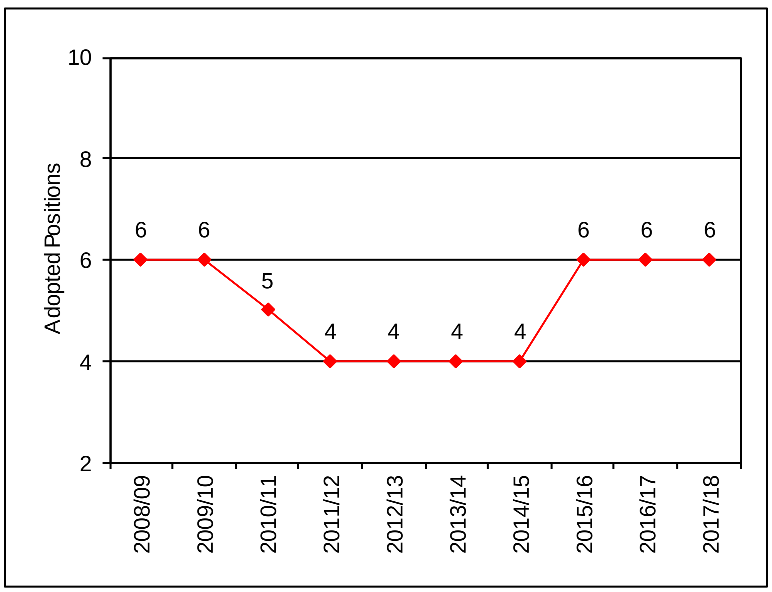
SUMMARY OF SIGNIFICANT ADJUSTMENTS

None.

SUMMARY OF POSITION CHANGES

During Third Quarter, May 9, 2017, a Limited-Term Veterans Benefits Counselor position was extended to June 30, 2018 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.