

COUNTY OF EL DORADO

HEALTH & HUMAN SERVICES


INTEROFFICE MEMORANDUM

Don Ashton, M.P.A.
Director



DATE: June 18, 2014

TO: Executive Committee
Community Corrections Partnership

FROM: Don Ashton, Chair 
Fiscal and Program Adhoc Committee

SUBJECT: FISCAL AND PROGRAM ADHOC COMMITTEE REPORT

At the March 31, 2014, Community Corrections Partnership (CCP) meeting, the Executive Committee approved the creation of the Fiscal and Program Adhoc Committee (FPAC). The FPAC was charged with the following tasks; review options for the use of funds allocated to front line law enforcement, develop list of potential uses for AB 109 Planning and Implementation (Training) funds, outline a Fiscal Year 2014/15 AB 109 budget, and review list of potential uses for prior year fund balance. Each task is outlined below, with the specific related CCP agenda item, FPAC findings and policy background, and range of actions available to the CCP.

1. Local Law Enforcement Enhancement

Related CCP Agenda Item

CCP staff recommending the Executive Committee discuss the process for requesting funding under the AB109 Budget – Local Law Enforcement Enhancement line item and direct staff to work on improvements.

Background

Chief Uhler presented the following two proposals to the FPAC for consideration:

- a) Approve the use of \$25,000 for the Placerville Police Department and \$25,000 for South Lake Tahoe Police Department to fund overtime for future joint field operations with Probation Officers during FY 2014/15. These operations will be focused on visiting probationers and anti-property

crime surveillance operations. Reimbursement will be based on the actual overtime rate for each individual officer.

- b) Approve reprogramming of unspent funds that were set aside during the first 3 years of the realignment program for the Placerville Police Department and South Lake Tahoe Police Department (totaling approximately \$149,000). This reprogramming will be directly focused on supplying each City agency with funds for anti-property crime proactive patrols for the coming year to be billed at the actual overtime rate for each individual officer.

Actions and Next Steps

The FPAC agreed to include Chief Uhler's request for \$50,000 in FY 2014/15 to be used by the Cities of Placerville and South Lake Tahoe for front line law enforcement in the FY 2014/15 budget for consideration by the CCP, and identify \$149,000 of prior year unspent funds as an unmet need for front line law enforcement.

In addition, the FPAC requested that Chief Uhler work with Laura Schwartz, Chief Budget Officer, to identify what steps to take to ensure the cities can be reimbursed for their activities if this request is approved by the CCP Executive Committee.

Finally, the Probation Department and the City of South Lake Tahoe and Placerville Police Departments are in discussions to develop an MOU to create a Special Task Force around increased contact with individuals on Probation and in a category that falls under AB 109 funding, pending approval of this effort by the CCP. The CCP is slated to receive a report and recommendation for this course of action at the June 25, 2014 meeting.

2. Use of Planning and Implementation (Training) Funds

Related CCP Agenda Item

CCP staff recommending the Executive Committee direct FPAC to convene for preparation of a recommended list of Planning and Training Fund allocations for consideration by the Executive Committee at June 2014 Meeting.

Background

Currently, the Planning and Implementation (Training) Fund has a projected year end fund balance of \$200,097. At this time it is not certain that additional funds will be provided in FY 2014/15.

Actions and Next Steps

Based on discussions during the FPAC meeting, the following expenditures were added to the FY 2014/15 Planning and Implementation Fund budget for consideration by the CCP Executive Committee:

AB 109 Planning and Implementation Fund Recommended List

Department	Amount	Details
Various	\$20,000	Staff training and development to be divided among Probation, Sheriff, HHSA and the CAO
HHSA	\$10,000	HHSA Alcohol and Other Drug supplies and training materials for the CCP/Jail Programs

HHSA	\$10,000	HHSA Mental Health Program Training costs
Probation	\$20,000	Moral Reconciliation Therapy curriculum costs
Probation	\$10,000	CCC Programming Incentives
Sheriff	\$12,000	Provide local police department training for Crisis Intervention Teams

Approval of all of these requests will reduce the overall fund balance to approximately \$118,097, and at this time the FPAC has not identified any other uses. The FPAC is recommending the CCP Executive Committee consider the current list, and tie the remaining funds to CCP goals as they are developed. To that end, the CCP Executive Committee could direct the RPAC to include the remaining funds in their discussion as support for any updated goals or for use in the goal setting process.

3. Fiscal Year 2014/15 AB 109 Budget

Related Agenda Item

CCP staff recommending the Executive Committee direct FPAC to convene for preparation of the Recommended Fiscal Year 2014/15 AB109 Implementation Plan and related budget recommendations, as well as prepare a recommended list of uses for prior years' AB109 allocation savings, utilizing the working group recommendation list for guidance, for consideration by the Executive Committee at a June 2014 Meeting.

Background

In Fiscal Year 2013/14 the CCP anticipated \$4.1 million in revenue from the State and adopted a budget that identified \$4.1 million in expenditures. At this time it appears the FY 2014/15 allocation will be reduced to approximately \$3.8 million. In addition, the FPAC is projecting increases in costs as a result of the recent approval of Cost of Living Adjustments (CoLA) for Local 1 members as well as possible increases to OE3 members pending the outcome of negotiations.

A projected budget spreadsheet identifying current year projections, the total projected funding available in FY 2014/15 (e.g., anticipated revenue plus the projected fund balance), and the projected expenditures by each department to maintain current services levels is attached to this report. The spreadsheet identifies similar information for FY 2015/16. In addition, each FY is shown with overhead rates of both 10% and at the Department's approved Indirect Cost Recovery Program (ICRP) rate.

In summary, to maintain existing service levels in each department, the FPAC projects the CCP will spend approximately \$693,250 (with overhead at 10%) to \$1,240,630 (overhead at ICRP rates) in fund balance in FY 2014/15, and potentially deplete the fund balance and requiring an additional \$262,533 in funds from other sources (ICRP rates) in FY 2015/16 at the current spending levels. Please note this does not include any requested unmet needs which are also identified in the attached spreadsheet and discussed in detail later in this report.

Changes from FY 13/14 to FY 14/15 AB 109 Budget by Department

Department	Staffing	Salaries & Benefits	Services & Supplies
Sheriff	No change	Increase in cost due to	Reduction due to striking

		anticipated CoLA increases. Addition of 10% or 50.1% overhead.	CDCR Contract Reserve, inside medical costs, transitional planning line items.
Probation	No change	Increase in cost due to anticipated CoLA increases. Addition of 10% or 31.36% administrative overhead.	Change line item 'Transitional Housing' to 'Emergency Housing/Transportation' with no cost change. Reduction of due to elimination of CCC start-up costs line item.
HHSA	No change	Increase in cost due to anticipated CoLA increases. Addition of 10% or 30.92% administrative overhead.	Reduction due to current budget double counting CFMG costs, strike jail medical costs.
CAO	No change	Reduction based on actual costs for Senior Department Analyst position balancing addition of 10% or 11.87% administrative overhead.	None.
COE	No change	Increase in cost due to anticipated CoLA increases.	None.

Actions and Next Steps

The following policy areas need to be discussed by the CCP Executive Committee in relation to this Maintenance of Service draft AB 109 budget presented by the FPAC:

- 1) Extent that fund balance should be used to maintain existing service levels. Because of the rising costs, services and spending levels in FY 2014/15 either need to be reduced to be consistent with anticipated revenue, or funded over the short term from available fund balance. If the determination is made to reduce FY 14/15 spending, the Sheriff's office stated during FPAC discussions that they have already agreed to reduce S&S appropriations totaling \$98,000 as identified above. No other reductions were mentioned for consideration during FPAC discussions. Reducing current levels of service could have a detrimental impact on the newly opened Community Corrections Center.
- 2) Long Term Spending Priorities for AB109 Allocation. The FPAC requests that the CCP Executive Committee determine spending priorities for the AB109 funding allocation from the State. As costs rise, already approved services come online, and new programs are proposed, pressure on the limited funds will increase. In addition, some departments stated they are already absorbing costs related to serving or supervising the AB109 population. Determining spending priorities, especially in the context of the development of an overall mission statement and set of goals, will assist with ensuring available money is utilized in a coordinated manner with an eye towards long term impacts.
- 3) Amount of administrative overhead that should be recovered by each department. The CCP Executive Committee previously voted to allow departments to charge either 10% overhead, or an accepted Indirect Cost Recovery Plan (ICRP) rate. During FPAC meetings HHSA indicated they are required to recover 30.92% overhead based on their approved ICRP as a result of State and

Federal funding requirements, and prevent negative impacts to their general fund programs. The Probation Department requested to recover 10% overhead and the Sheriff's Office stated they did not intend to recover administrative overhead costs. The CCP Executive Committee should clarify whether these varying approaches are acceptable, or if a standardized approach should be followed. It should be noted that approved rates can only be 10% or an ICRP rate and must be applied equally to all departments funded through this special revenue fund. As stated before, each set of rates results in a vastly different draw down of fund balance.

- 4) Identify long term funding sources for transportation and transitional housing. The FPAC had extensive discussions relative to the lack of transitional housing and transportation in El Dorado County that may impact the success of the CCC. Based on preliminary information, up to 50% of the inmates released from jail do not have stable housing or transportation available. While funding is not available to address housing and transportation needs at this time, the FPAC agrees that without stable housing and transportation, it will be difficult for those clients to receive services at the CCC. A 2009 study by a non-profit agency entitled *The Case for Supportive Housing* identified that if supportive housing is available there is up to a 76% reduction in days spent in jail/prison, and a decreased recidivism rate from 50% to 7%. The FPAC recommends the CCP Executive Committee explore avenues to address these issues and relate updated goals and future programming to providing these services in support of reducing recidivism.
- 5) Payment of CFMG Medical Costs. The CCP Executive Committee should decide whether the increased CFMG contract cost for medical care at the jail facilities totaling \$230,000 should be paid with AB109 funding in FY 2014/15 and future years, or if these should be General Fund costs. The current approved payment is only for FY 2013/14.

4. Potential Uses for Prior Year Fund Balance ('Unmet Needs' List)

Related CCP Agenda Item

CCP staff recommending the Executive Committee direct FPAC to convene for preparation of the Recommended Fiscal Year 2014/15 AB109 Implementation Plan and related budget recommendations, as well as prepare a recommended list of uses for prior years' AB109 allocation savings, utilizing the working group recommendation list for guidance, for consideration by the Executive Committee at a June 2014 Meeting.

Background

The FPAC had a number of discussions regarding the list of items developed by a working group in 2013 and their continued relevance. As those items were discussed and some discarded, new items were brought forward by attendees. The resulting revised list was dubbed the 'Unmet Needs' list. The Unmet Needs list is detailed in the table below.

List of Unmet Needs Identified by the FPAC

Department	Amount	Details
Sheriff	\$600,000	Identified as a place holder in the current budget in the event the CCP Executive Committee chose to hold funding in reserve

		to build a Transitional and Mental Health Housing Facility.
Sheriff	\$18,000	Fund share of catastrophic insurance premium that is calculated based on the current percentage of AB109 clients in the jail of 20%.
Sheriff	\$75,000	The Sheriff's Office, as well as HHSAs recommend sufficient reserves be maintained in the event funding is necessary to cover the difference between CFMG payment of medical expenses and the point where catastrophic insurance covers relevant costs.
Probation	\$16,500	Fund lunches for Community Corrections Center (CCC) clients. As a result of transportation challenges and the lack of food facilities near the CCC, consideration should be given to provide lunches for clients since they will be in programming for the entire day. Lunches would be provided by the jail kitchen.
Probation	\$90,000	Deputy Probation Officer plus associated administrative overhead costs.
Probation	\$34,000	Probation Department Vehicle assigned to the CCC.
HHSAs	\$20,000	South Lake Tahoe CCC Model. HHSAs Mental Health is relocating to new space that could accommodate programming services for SLT inmates released from jail. This amount is an estimate based on the approximate square footage that could be used for programming services and offset Mental Health lease costs.
HHSAs	\$83,000	Psychiatry services totaling \$83,000 plus administrative overhead costs. Services would be offered to AB109 clients at the CCC up to one day per week.
District Attorney	\$66,583	Proposal from the District Attorney's Office for funding a Victim/Witness Advocate for two or three years, at an estimated cost of \$66,583 per year for one FTE, funded through prior year unspent funds.
City Police	\$149,000	Proposal from the City of South Lake Tahoe and City of Placerville for anti-property crime proactive patrols for the coming year to be billed at the actual overtime rate for each individual officer totaling \$149,000 from prior year unspent funds.
MHC	\$12,000	Proposal by member of the County Mental Health Commission to fund Crisis Intervention Team (CIT) training for city police either through this budget line item, or through the Planning and Implementation Fund.
CCP Reserves	\$190,000	Working Group suggestion to retain 5% of budget in reserve line item. Depending on what budget number the Executive Committee chooses to use (for example, the State allocation of \$3.8m or full budgeted amount for current level of services, estimated currently at approximately \$4.48m) this amount could range from \$190,000 to \$224,000.
TOTAL	\$1,354,083	Note: Total Estimated Fund Balance after existing services are fully funded for FY 14/15 ranges from \$1,757,153 to \$1,158,433 (dependent on overhead rate).

Actions and Next Steps

The CCP Executive Committee will need to determine what, if any, items should be funded off of this list, understanding that funding any items above will require additional fund balance draw down, and that the total amount of estimated Unmet Needs costs exceeds available fund balance, and that at the end of FY 15/16 it is conceivable that fund balance could be completely depleted under current spending obligations. Developing a strategic plan that outlines goals and objectives of public safety realignment programming and services would provide a more robust framework for determining what, if anything should be added to the already limited AB 109 budget.

