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Information requested for Senior Day Care Budget

Wanda K Demarest to: bosthree, The BOSFIVE

11/15/2010 08:38 AM

Cc: judi.mccallum, Karen D Feathers
Bcc: Daniel L Nielson, Lynda Webb, Lee A Jackson, Janet M Walker-Conroy, Michelle E Hunter

Dear Supervisors Sweeney and Santiago,

During the November 3, 2010 BOS meeting, you requested I provide a history of County Cost Applieds and Administrative Costs that have been charged to the Senior Day Care Services program. The result of that request is reflected in the attached report prepared by the DHS Accounting staff.

I believe you will find the report substantiates my claim that the cost of doing business has increased over the years. For instance, you will discover Administrative Costs, alone, went from \$7,296 in FY09/10 to \$28,649 in FY10/11 – nearly a 400% increase! The new methodology for applying Administrative costs obviously does not contribute to the survival of Community Services programs.

Please accept my heartfelt appreciation for allowing me to “speak” and for your long time support of Community Services including the Senior Day Care Center.

Wanda Demarest
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BOARD OF SUPERVISORS
EL DORADO COUNTY

Senior Day Care (SDC) - Administration Costs
 FY 10-11 Approved County Budget

DHS Administrative Costs	FY 10-11 Methodology	FTEs	Budgeted FY 10-11	% of Total SDC Budget (\$408,851)	Budgeted FY 09-10	Net Change
Administration (4 staff) (Director, Asst. Director, CFO, Executive Assistant)	Allocated by Salaries of DHS	0.06	\$ 8,362	2.0%	\$ -	\$ 8,362
Accounting Staff (4 staff)	Allocated by Salaries of Community Services Division	0.23	17,513	4.3%	7,296	10,217
PM II (1 staff) (Lee Jackson)	Allocated by Continual Time Study	0.02	2,774	0.7%	-	2,774
Total		0.31	\$ 28,649	7.0%	\$ 7,296	\$ 21,353

During FY 10-11, a change in the method of accounting has caused the Community Services Division of DHS to incur a much larger share of the administrative cost of operations than has previously occurred.

County Cost Applies	FY 10-11 Methodology	Budgeted FY 10-11	Actual FY 09-10	Actual FY 08-09	Actual FY 07-08	Actual FY 06-07	Actual FY 05-06	Actual FY 04-05	Actual FY 03-04	Actual FY 02-03	
Retiree Health	Allocated by Budgeted FTEs Senior Day Care Total FTEs: 5.40 (includes 0.31 FTE Administrative Staff)	\$ 5,550	4,748	30,963	24,043	14,940	14,512	12,578	12,284	\$ -	
Workers Comp		4,738	5,733	10,568	11,668	8,543	13,710	8,997	8,084	4,936	
Liability Insurance		5,544	8,431	7,351	7,087	474	441	756	1,037	701	
Mail		253	195	175	392	492	856	437	455	362	
Stores Support		367	276	589	838	49	118	276	-	-	
Mainframe Support		4,427	4,545	6,729	5,953	8,815	6,944	7,841	9,586	8,281	
Network Support		6,044	5,793	11,690	10,922	7,071	6,155	6,129	5,247	-	
Total			\$ 26,923	\$ 29,721	\$ 68,065	\$ 60,903	\$ 40,384	\$ 42,736	\$ 37,014	\$ 36,673	\$ 14,280

In FY 07-08, the County Cost Applies allocation methodology changed to be based on program FTEs as a percent of total Department FTEs. This change occurred due to the complex nature of the previous allocation methodology, which utilized individual methodologies for each Cost Applied category.

Total Admin	DHS Administrative Costs and County Cost Applies	Budgeted FY 10-11	% of Total SDC Budget (\$408,851)
		\$ 55,572	13.6%

Note: An additional impact to program costs has been the contribution for Employer Share of Retirement (PERS), which increased from maximum of 7% of employee wages in FY 02-03 to a maximum of 20% in FY 10-11, increasing SDC retirement cost by approximately \$30,000.