

EL DORADO COUNTY CALIFORNIA
Chief Administrative Office

February 24, 2015

Memo To: The Honorable Board of Supervisors

From: Pamela Knorr, Chief Administrative Officer
Laura Schwartz, Chief Budget Officer

Subject: FY 2014-15 Mid-year Budget Staff

The Mid-year Budget Status Report provides the Board of Supervisors with the status of the County budget and financial resources. The report summarizes departmental year-end financial forecasts and related issues. Anticipated year-end variances from the Board approved budgets have been provided by every County department and summaries of departmental budget projections are provided in Attachment B.

FY 2014-15 Updated General Fund Forecast

The following table recaps the status of the General Fund budget as amended through December 31, 2014:

	FY 2014-15 Amended Budget	Projected June 30, 2015	Projected as a % of Budget
Estimated Current Year Revenues	\$255,346,077	\$256,182,948	100%
Estimated Current Year Expenditures	\$255,346,077	\$245,136,976	96%

At mid-year, actual revenues of \$78,435,146 were recorded as received in the General Fund as well as \$32,245,387 in prior year fund balance for a total of \$110,680,533, or 43% of projected revenues. The year-end General Fund revenue projection is estimated to exceed budget by \$836,871 or less than 1%.

Non-departmental revenues (Department 15), or the discretionary General Fund revenues received to fund Net County Cost, are projected to be \$3.1 million above budget and departmental revenues are projected to be \$2.3M below budget. The projected changes in non-departmental revenue are primarily attributed to the following:

- \$2.8M increase in property taxes
- \$400K increase in sales tax
- \$500K increase in Hotel & Motel tax
- \$180K decrease in property transfer tax
- \$322K decrease in assessment and tax collection fees
- \$130K decrease in penalty fees

The decreases in departmental revenues are primarily attributed to decreased fees, less administrative allocation, and reduced pass thru fees for developer funded EIR projects. Attachment A provides a summary of projected General Fund revenues and expenditures by department.

Total General Fund appropriations budgeted as of December 31, 2014 was \$255,346,077. Total actual expenditures at mid-year were equal to \$97,537,523 or 40% of projected appropriations in the General Fund. The year-end expenditure projection is estimated to equal 96% of budget.

The net result of increased revenues and lower appropriations is a year-end fund balance projection of \$11,080,972. This fund balance is comprised of the following components:

- \$3.8M in unspent contingency (this will be rolled forward to FY 2015-16)
- \$3.1M in additional non-department revenues
- \$900K in non-departmental unspent appropriations
- \$3.3M in departmental unspent appropriations

FY 2014-15 Road Fund Forecast

The following table reflects the status of the Roads- Transportation budget as amended through December 31, 2014:

Road Fund	FY 2014-15 Amended Budget	Projected June 30, 2015	Projected as a % of Budget
Estimated Current Year Revenues	\$97,260,862	\$85,748,413	88%
Estimated Current Year Expenditures	\$97,260,862	\$85,748,413	88%

The major decreases in revenues and expenditures within the Road Fund are primarily related to capital projects (\$10.5M), and salary savings (\$1M). The projections include a use of fund balance of \$817K resulting in an approximate year end fund balance of \$5.6M.

FY 2014-15 HHSA

The following table reflects the status of the Health and Human Services – **Community Services** budget as amended through December 31, 2014:

Community Services	FY 2014-15 Amended Budget	Projected June 30, 2015	Projected as a % of Budget
Estimated Current Year Revenues	\$10,038,175	\$8,181,892	82%
Estimated Current Year Expenditures	\$10,038,175	\$8,181,892	82%

The change in revenues and appropriations are primarily related to decreases in federal program revenue offset with associated reduced appropriations.

The following table reflects the status of the Health and Human Services – **Public Health** budget as amended through December 31, 2014:

Public Health	FY 2014-15 Amended Budget	Projected June 30, 2015	Projected as a % of Budget
Estimated Current Year Revenues	\$23,473,601	\$15,797,649	67%
Estimated Current Year Expenditures	\$23,473,601	\$14,972,731	64%

The major decrease in revenues is related to a reduced use of fund balance. The Department budgets 100% of their available fund balance which was \$9.3M in FY 2013-14. The Department is projecting a use of fund balance of \$2.3M but will be adding fund balance to other programs in the amount of \$824K resulting in a year end fund balance projection of \$7.8M. The decrease in appropriations is primarily related to no planned use of department contingency (\$5.9M) and unspent appropriations in services and supplies (\$1.4M) related to reduced use of professional service contracts and special project expenses and salary savings (\$825K) from position vacancies.

The following table reflects the status of the Health and Human Services – **Mental Health** budget as amended through December 31, 2014:

Mental Health	FY 2014-15 Amended Budget	Projected June 30, 2015	Projected as a % of Budget
Estimated Current Year Revenues	\$34,336,889	\$24,456,019	71%
Estimated Current Year Expenditures	\$34,336,889	\$23,909,986	70%

Mental Health has two distinct programs with different funding sources. The traditional Mental Health revenues are projected at \$10.2M with appropriations of \$10.9M, resulting in a use of fund balance of \$719K.

MHSA revenues are projected at \$9.5M with appropriations of \$10M resulting in a use of fund balance of \$537K for a total year end projected fund balance of \$10.4M.

Alcohol and Drug Program revenues are projected at \$3.4M and appropriations at \$2.9M resulting in an increase in fund balance of \$469K.

Additional detail is provided in Attachment B: Summaries of Department Mid-year Summaries. County staff are available to answer any additional questions.

Attachment A: Summary of General Fund Department projections as of December 31, 2014

Attachment B: Department Mid-year Summaries

Attachment A - Summary of General Fund Department projections as of December 31, 2014

Department	REVENUES				APPROPRIATIONS				NET		
	14-15 Budget REVENUE (FAMIS)	Projection	Proj Diff from Budgeted	Proj as % of Budget	14-15 Budget APPROP (FAMIS)	Projection	Proj Diff from Budgeted	Proj as % of Budget	BUDGETED Net County Cost	Projected Net County Cost	Variance from Net County Cost
Board of Supervisors	2,835	2,830	-5	99.8%	1,725,898	1,422,963	-302,935	82.4%	1,723,063	1,420,133	302,930
Chief Administrative Office	1,493,631	1,322,547	-171,084	88.5%	8,845,799	8,674,715	-171,084	98.1%	7,352,168	7,352,168	0
Auditor-Controller	445,900	437,938	-7,962	98.2%	3,166,507	3,094,832	-71,675	97.7%	2,720,607	2,656,894	63,713
Treasurer-Tax Collector	1,827,834	1,827,834	0	100.0%	2,953,492	2,953,492	0	100.0%	1,125,658	1,125,658	0
Assessor	449,400	449,400	0	100.0%	3,562,456	3,562,456	0	100.0%	3,113,056	3,113,056	0
County Counsel	481,000	381,000	-100,000	79.2%	3,159,669	3,059,669	-100,000	96.8%	2,678,669	2,678,669	0
Human Resources	0	5,945	5,945	0.0%	1,975,710	1,924,931	-50,779	97.4%	1,975,710	1,918,986	56,724
Information Technologies	35,500	49,410	13,910	139.2%	7,876,519	7,372,514	-504,005	93.6%	7,841,019	7,323,104	517,915
Economic Dev / Parks & Trails	866,193	870,219	4,026	0.0%	3,403,669	3,443,396	39,727	101.2%	2,537,476	2,573,177	-35,701
Surveyor	70,440	86,576	16,136	122.9%	1,665,302	1,654,144	-11,158	99.3%	1,594,862	1,567,568	27,294
Non-Departmental G.F. (incl conting)	111,033,192	114,140,006	3,106,814	102.8%	29,364,063	28,468,334	-895,729	96.9%	-81,669,129	-85,671,672	4,002,543
Designations, Reserve & FB	32,245,387	32,245,387	0	100.0%	4,172,749	364,381	-3,808,368	8.7%	-28,072,638	-31,881,006	3,808,368
Grand Jury	0	0	0	0.0%	80,147	80,147	0	100.0%	80,147	80,147	0
Superior Court MOE	1,363,500	1,118,449	-245,051	82.0%	3,117,516	2,383,516	-734,000	76.5%	1,754,016	1,265,067	488,949
District Attorney	2,690,460	2,690,460	0	100.0%	8,337,491	8,372,491	35,000	100.4%	5,647,031	5,682,031	-35,000
Public Defender	331,521	331,521	0	100.0%	3,799,318	3,774,600	-24,718	99.3%	3,467,797	3,443,079	24,718
Sheriff	15,270,065	15,270,065	0	100.0%	59,463,165	58,755,665	-707,500	98.8%	44,193,100	43,485,600	707,500
Probation	5,029,096	4,822,865	-206,231	95.9%	15,991,898	15,429,940	-561,958	96.5%	10,962,802	10,607,075	355,727
Ag Commissioner	842,497	821,402	-21,095	97.5%	1,309,014	1,309,014	0	100.0%	466,517	487,612	-21,095
Recorder-Clerk/Registrar of Voters	2,282,219	2,398,827	116,608	105.1%	3,255,587	3,262,337	6,750	100.2%	973,368	863,510	109,858
Transportation	1,234,428	1,357,017	122,589	109.9%	1,898,075	1,915,131	17,056	100.9%	663,647	558,114	105,533
Development Services	10,239,000	9,031,808	-1,207,192	88.2%	14,125,328	12,594,512	-1,530,816	89.2%	3,886,328	3,562,704	323,624
Public Health (Animal Services)	1,378,517	1,253,292	-125,225	90.9%	2,684,847	2,544,544	-140,303	94.8%	1,306,330	1,291,252	15,078
Environmental Management	1,883,557	1,749,429	-134,128	92.9%	1,883,557	1,749,429	-134,128	92.9%	0	0	0
HHSA Agency Admin	4,494,952	4,284,680	-210,272	95.3%	4,184,856	3,839,125	-345,731	91.7%	-310,096	-445,555	135,459
Veterans Services	45,139	82,272	37,133	182.3%	531,676	532,255	579	100.1%	486,537	449,983	36,554
Human Services	51,474,533	51,394,946	-79,587	99.8%	53,244,370	53,109,503	-134,867	99.7%	1,769,837	1,714,557	55,280
Library	1,932,790	1,841,338	-91,452	95.3%	3,664,908	3,573,455	-91,453	97.5%	1,732,118	1,732,117	1
Child Support Services	5,902,491	5,915,485	12,994	100.2%	5,902,491	5,915,485	12,994	100.2%	0	0	0
GENERAL FUND TOTAL	255,346,077	256,182,948	836,871	100.3%	255,346,077	245,136,976	-10,209,101	96.0%	0	-11,045,972	11,045,972
Departmental	112,067,498	109,797,555	(2,269,943)	(0)	221,809,265	216,304,261	(5,505,004)	(0)	109,741,767	106,506,706	3,235,061
Non-Departmental	143,278,579	146,385,393	3,106,814	1	33,536,812	28,832,715	(4,704,097)	1	(109,741,767)	(117,552,678)	7,810,911

Attachment B: Summaries of Department Mid-Year Projections

General Government

Board of Supervisors – Net County Cost savings of \$302,930

The Board of Supervisors projects a Net County Cost savings of \$302,930 which is primarily the result of salary savings. Salaries and benefits are budgeted in accordance with Board Policy D-5 and the projected actuals are lower. Additionally, the District III Supervisor does not take a salary which also contributes to these savings.

Chief Administrative Office – No change to Net County Cost

The department has had to absorb several large payouts and is currently holding two analyst positions vacant to offset these costs as well as recognizing some savings in the Facilities division in services and supplies.

Auditor-Controller – Net County Cost savings of \$63,713

The Auditor-Controller is projecting decreased appropriations of \$71,675 and decreased revenues of \$7,962 resulting in a Net County Cost savings of \$63,711. Savings are related to a decreased need for temporary help and the department has not hired any professional level temporary help to backfill work from permanent staff who have been assisting with the ERP. The department also currently has two vacant positions that have generated additional savings. However the department is actively recruiting to fill these vacancies so the savings will not be on-going.

Treasurer-Tax Collector – No change to County Cost

The department does not anticipate any material changes from budget. The department also notes that they have included their adjustment of 3% salary savings in their projection.

Assessor – No change to Net County Cost

The department does not anticipate any material changes from budget.

County Counsel – No change to Net County Cost

The department does not anticipate any material changes from budget.

Human Resources – Net County Cost savings of \$56,724

The Human Resources department is projecting Net County Cost savings of \$56,724 which is primarily the result of salary savings from the vacant HR Director position.

Risk Management is projecting reduced revenues and expenses in the various funds but most significantly in the Health fund in the amount of \$5,187,611. This reduction in revenue, and in turn expenses, is a true-up of the health program 2015 rates over what was projected at the time the FY 2014-15 budget was adopted. Overall there is no change in Net County Cost for the division budget.

Information Technologies – Net County Cost savings of \$517,915

Information Technologies is projecting a \$517,915 savings in Net County Cost for FY 2014-15. This savings is primarily the result of salary savings (\$731,617) from approximately 8 vacancies in the department. These salary savings are offset with a reduction in billable programmer services in the amount of \$212,529 related to projects that were anticipated but have not yet moved forward.

Economic Development/Parks/HCED – Increase in Net County Cost of \$35,701. General Fund Contribution savings of \$110,032 in HCED.

The Economic Development Division is projecting no change to Net County Cost. Any savings from the current FY will roll over into FY 2015-16. The current year budget includes funding for several key program initiatives:

- Award of 8 grants under the Cultural and Community Development Program totaling \$35,750
- Contract with the El Dorado Community Foundation for Veteran's programs \$108,494
- Contract in an amount not to exceed \$69,000 for grant application and administration services
- Contract with GloGou, Inc. for the development of the Web Portal totaling \$100,000.

Although the contracts are in place, the full amount of all contracts will not be expended prior to the end of the fiscal year. The County is currently in the recruitment process for an Economic Business Relations Manager. This position will likely be filled in spring of 2015.

Housing, Community and Economic Development programs, which fall under the Economic Development program, is projecting a General Fund Contribution savings of \$110,032 due to the redistribution of labor to other divisions in the Department.

Parks programs, which include River Management and Rubicon activities, are projecting an increase in Net County Cost of \$35,701 due to extra help in the program not being included in the Addenda budget. This oversight will be monitored and after the 3rd quarter projection, if needed, an item placed on the Board agenda for budget transfer consideration.

Recorder Clerk / Elections – Net County Cost savings of \$109,858

The Recorder Clerk/Elections department is projecting an increase of revenues of approximately \$116,000 and an increase in appropriations of approximately \$7,000 resulting in a reduction in Net County Cost of approximately \$109,000.

The Net County Cost savings is due to the Elections division realizing more revenue due to the County having more district elections than anticipated.

Law & Justice

Grand Jury – No change to Net County Cost

Superior Court MOE – Net County Cost savings of \$488,949

The budget for Superior Court Maintenance of Effort (MOE) is projected to have a revenue shortfall of approximately \$245,051 or 20% based on the last 6 months trend of fines and fees. Expenditures are projected to be lower than budgeted by approximately \$734,000. This is due, in part, to the completion of a long term death penalty case.

District Attorney – Increase in Net County Cost of \$35,000

The District Attorney is projecting no change in revenues and an increase in expenses of \$35,000 resulting in an increase to Net County Cost of \$35,000. The increased expenses are related to salaries and benefits. The two major contributors to the projected deficit are the King Fire Investigation and Management Leave payouts. The King Fire investigation has cost \$55,954 through December 31, 2014. Approximately half of that amount is related to overtime, but due to the incident period restrictions from FMAG (9/13-10/3), the DA's office will only qualify for about \$10,000 of reimbursed OT. The remaining OT costs of \$13,000 contribute to the unbudgeted deficit.

In addition to these costs the District Attorney's office successfully prosecuted the Winkler case which required a four week trial and extensive investigation. The office has also recently taken on a Cold Homicide case from 2006 which will require extensive investigation. The projected deficit would be much higher but the department currently has several vacant positions that have gone unfilled.

Public Defender – Net County Cost savings of \$24,718

The Public Defender is projecting no change to revenue and overall expenditure savings of \$24,718 resulting in a reduction in Net County Cost.

The department expenditure estimates include savings in salaries and benefits of \$19,418 which takes into account the mandated 3% salary savings. The department also estimates a savings of \$5,300 in services and supplies categories. The Public Defender notes the challenges of a tight budget coupled with high profile cases and has provided their best estimate based on caseload information known at this time. It is possible that circumstances may change as the cases progress.

Sheriff – Net County Cost savings of \$707,500

The Sheriff's Office is projecting savings in appropriations of \$707,500. It should be noted that this \$707,500 is in addition to the mandated 3% salary savings of \$1.5M. No change to revenue is projected.

Appropriation adjustments include savings in services and supplies of approximately \$162,500 noting projected savings in areas such as fuel, professional services, staff development, transportation & travel, and hotel accommodations to name a few areas of savings. Savings is also being projected in salaries and benefits of approximately \$545,000. The Sheriff's Office notes that there were impacts to overtime associated with the King Fire. These impacts, while considered, have not been reflected as a change in budget as the Sheriff's Office will be managing those costs and is seeking Federal reimbursement.

Probation – Net County Cost savings of \$355,727

The Probation department is projecting reduced revenues of \$206,231 and reduced appropriations of \$561,958 resulting in a reduction in Net County Cost of \$355,727.

The shortfall in revenue is primarily the result of not realizing revenue from some special revenue funds. All reductions are offset by a corresponding reduction in services and supplies.

The Department anticipates savings in salaries and benefits of \$281,246. Currently Probation has 12.5 FTE vacant positions. The mid-year projection assumes the Department will fill 7.5 FTE of these vacancies. Additional savings to Net County Cost will be realized if positions are not filled as anticipated.

The Department is also projecting expenditure savings in services and supplies of approximately \$246,075 and \$21,887 in expenditure savings in their Care and Support of Minors category. The Department has little to no control of the Care and Support of Minors category as this area is Court ordered. Additional Court orders could change this projection.

Land Use and Development Services

Surveyor – Net County Cost savings of \$27,294

The Surveyor projects an increase in revenues of \$16,136 and appropriation savings of \$11,158 resulting in a decrease to Net County Cost of \$27,294. Revenue increases are mostly related to an increase in planning activity correlating to a larger need for map checking, addressing, and services to other departments (primarily the Community Development Agency and Facilities). Savings are due to one-time salary and benefit savings as well as reduced professional service needs and deferred training.

Agriculture – Increase to Net County Cost of \$21,095

The Department is projecting decreased revenues of \$21,095. This reduction includes \$31,095 in State funding for Sudden Oak Death (SOD) activities, offset with an increase of \$10,000 in State funding for the Noxious Weed program. Funds from the State for SOD activities have been greatly reduced due to no positive SOD finds over the past two years. As such, the State has transitioned the County's status to non-infested and non-regulated. Department staff will continue to look for signs of SOD during regular inspections, however only State requests for SOD inspections will be reimbursed.

It should be noted that unclaimed gas tax revenue (the largest revenue source to the Department) is not received until April and it is not yet known if the department's annual allocation will be reduced by the State. Expenditures are projected at budget, with an increase in salaries and benefits and an offsetting reduction in services and supplies. The department has been tightly controlling expenditures in the event that actual unclaimed gas tax revenues fall short of the amount budgeted.

Transportation – Net County Cost savings of \$105,533. General Fund Contribution savings of \$115,553.

Fund Type 10 – County Engineer / Property Services (Cemetery Operations)

The department is projecting increased revenues of \$122,589 and increased appropriations of \$17,056 resulting in a decrease in Net County Cost of \$105,533.

The increase in appropriations is primarily related to more work than anticipated performed by Road Fund and Long Range Planning staff for County Engineer activities. This is largely offset by a projected reduction in charges for Transportation and Long Range Planning staff time. Due to an increase in current and future development in the County, projected revenues have increased approximately \$121,000 for time and materials billings. The resulting net impact is a projected reduction of \$84,000 to Net County Cost for County Engineer Activities.

Cemetery Operations' revisions are largely due to a small increase in revenue from increased burial activity, and a reduction in appropriations in various cemetery maintenance, professional services, CDA Administration, and personnel costs. The

resulting net impact is a projected reduction of \$21,000 to Net County Cost for Cemetery Operations.

Fund Type 11 – Road Fund, Capital Improvement Program, Erosion Control

The department is projecting a decrease in revenues and expenditures of \$11,512,449. The department projects a reduction in use of fund balance of \$817K resulting in a year end use of fund balance of approximately \$5.6M.

Approximately \$10.5M of the decrease is related to the capital program due to delayed or advanced timing on start of construction and acquisition of right of way on several projects. CDA will be bringing forward a mid-year update to the CIP program that reflects these changes.

Reduced appropriations are primarily related to less use of construction and engineering contracts of approximately \$8.5M due to delayed Capital projects. Savings in salaries and benefits of \$1.2M related to vacancies and reduced use of temporary employees and overtime. Savings of approximately \$1M are projected in other charges primarily related to reduce right of way costs due to delays in Capital projects. Fixed assets are also decreasing by \$757K due to the wash rack not being completed this fiscal year. These costs will be re-budgeted in FY 2015-16.

Fund Type 12 - Special Districts

Total revenues and expenditures are projected to be \$48,539 more than budgeted, with use of fund balance being increased by \$48,539. This increase is primarily due to correcting a budgeting error on the general ledger. Additional revisions were made to account for the first loan repayment to the General Fund for the purchase of a grader in the West Shore Snow Zone, reduced rent and lease of equipment, and increased retirement of long term debt and interest from long term debt. .

Fund Type 31 – Airports

Total revenues and expenditures for Airports are projected to decrease by \$439,551 with the use of fund balance reduced by \$38,244. This decrease is primarily related to the capital program due to delayed starts. Funds will be re-budgeted in FY 2015-16. Additionally, \$40K in ACO Fund for grant matching funds and \$10K from General Fund operational support will not be utilized in FY 2014-15.

Fund Type 32 - Fleet Operations

Revenues and expenditures for the Fleet program are projected to be \$83,097 more than budgeted, with the use of fund balance decreasing by \$406,233. Revenues are projected to increase by \$400K based on charges for services, which correlates with the reduction in use of fund balance.

Development Services – Fund Type 10 – Net County Cost savings of \$323,624

The department is projecting a decrease in revenues of \$1,207,192 and expenditures of \$1,530,816 resulting in a decrease to Net County Cost of \$323,624.

Revenues from permit fees are anticipated to come in \$526K less than budgeted and more in line with budgeted permit fee revenue in FY 2013-14. Use of Public Utility Franchise Fees is projected to be reduced by \$117K as NPDES costs are anticipated to be significantly lower than budgeted. These savings of \$117K will be shifted to the Road Fund. Reduced revenue of \$453K is anticipated due to recalculation of the Administrative allocation to other divisions within CDA, taking into account salary savings anticipated in the divisions and units that are allocated charges. Reimbursement revenues for consultant services related to developer funded EIR projects are expected to decrease by \$280K (offset with a decrease in professional services expenditures).

The department is projecting salary savings of \$750K due to vacancies, primarily in Development Services (\$360k) and CDA Administration and Finance Division (\$350K), with a small amount in Long Range Planning. Remaining savings are related to a decrease in professional services primarily related to the anticipated lack of need for budgeted legal services. Other savings include anticipated reduced billings related to Road Fund staff charging for Long Range Planning activities (including NPDES work) and reduced building lease costs.

Environmental Management – No change to Net County Cost

Fund Type 10 – No change to Net County Cost

Revenues and expenditures are projected to decrease \$134,128 resulting in no change to Net County Cost. This projected decrease is primarily due to salary savings and updated reduced CDA Administration charges. There is a like reduction in use of Garbage Franchise Fees (\$300k) offset by an increase in Federal Local Public Agency grant funding (\$232K) related to revised timing from State disbursement. The Department is proposing to shift the Garbage Franchise Fees towards improved systems such as electronic plan check and a new Land Management Information System.

Fund Type 12 – Special Revenue

Revenues and expenditures are projected to decrease by \$556,499. The department anticipates a use of fund balance reduced by \$438,873. Savings are primarily due to \$273K in salary savings related to vacancies and decreased use of temporary employees. Additional savings are in professional service contracts (\$215K), and maintenance costs for the landfill (\$41K).

Air Quality Management District – No change to Net County Cost

Health and Human Services

Health and Human Services Agency (HHSa)

HHSa Administration – Fund Type 10 – Net County Cost savings of \$135,459

The HHSa Administration Division was created in July 2013 to provide efficiencies in administrative and fiscal support to all the various programs across the agency. The division passes these fiscal and administrative costs to programs within the agency based on direct program salaries. In order to spread these costs the Department had to create an Indirect Cost Rate Plan (ICRP) based on budgeted numbers vs. actual costs because there were not any prior year actuals to use. An ICRP basically takes the total cost of the administrative division and divides this by the budgeted direct salaries of the various departments within HHSa to arrive at an indirect percentage that is applied to the actual direct salaries of Social Services, Community Services, Public Health and Mental Health to spread the costs of the combined administrative division. The Department is anticipating a Net County Cost decrease of approximately \$135,000 due to the department still owing the General Fund funds that it borrowed last fiscal year.

Public Health – Net County Cost savings of \$15,078. General Fund contribution savings of \$248,196.

General Fund – Fund Type 10 (Animal Services) – Net County Cost Savings of \$15,078

The department is projecting decreased appropriations of \$15,078 resulting in Net County Cost savings of \$15,078.

Public Health Programs – Fund Type 11 - General Fund contribution savings of \$248,196

Public Health Fund Type 11 programs have total projected revenue of \$15.8M, including \$2.3M in use of fund balance, and appropriations of \$15M. This results in a net increase to fund balance of approximately \$800K. The following table shows the use of fund balance by program:

Public Health (FT 11) Fund Balance				
Index Code	Program Name	Budgeted Fund Balance	Anticipated Use of Fund Balance	Anticipated Increase in Fund Balance
401111	PH Admin	5,186,990	-	772,778
401112	PH General	-	-	-
401115	Medi-Cal Admin Activ (MAA SRF) - PH Accreditation	1,163,516	355,789	-
401130	Public Health Emergency Preparedness	84,867	-	21,103
401133	Hospital Preparedness Program	35,737	-	8,563
401137	City Readiness Initiative	35,484	18,784	-
402223	AIDS Block Grant	-	-	2,902
403330	Emergency Medical Services Fund SRF	330,789	-	10,876
403740	Tobacco Settlement	1,407,467	816,774	-
404112	ADP Admin	616,148	616,148	-
404210	ADP AB 2086 Drunk Driver	154,811	154,811	-
404220	ADP Drug Fine	112,482	112,482	-
404230	ADP Alcohol Ed and Prev.	187,163	187,163	-
405100	Domestic Violence	14,338	8,858	-
405150	Medi-Cal Outreach and Enrollment	-	-	355
405640	Car Seat Restraint SRF	9,538	9,437	-
405650	Bicycle Helmets SRF	2	2	-
407300	Tobacco Use Prevention Program	333	-	8,341
Total		9,339,665	2,280,248	824,918

Fund 11 includes a number of Public Health Division (PHD), service programs, as well as the Emergency Medical Services (EMS) program. PHD programs are funded primarily by grants, realignment revenues and other State and Federal revenues. The Jail Medical program, Juvenile Hall Medical program, and nursing programs, and EMS program all receive contributions from the General Fund. These programs are projected to have a savings of approximately \$248K primarily related to a reduction in medical costs due to the County Medical Services Program (CMSP) Governing Board not applying the County Participation Fees for FY 2014-15. It is a onetime reduction of approximately \$233K.

Special Districts – Fund Type 12 (CSA 3 and CSA 7)

CSA 7 and Ambulance Billing are projected to have revenues of \$10.9M and appropriations of \$11.4M resulting in a use of fund balance of \$442K, which is approximately \$1M lower than anticipated. Within CSA 3, revenues are projected at approximately \$2.6M and appropriations are projected to be approximately \$2.5M.

Mental Health – No change to Net County Cost

Mental Health Traditional Programs

The traditional Mental Health revenues are projected at approximately \$10.2M with appropriations of approximately \$10.9M, resulting in the use of fund balance of \$719K, which is approximately \$925K lower than what was proposed in the Addenda Budget. The Chief Administrative Office will be working closely with the department to monitor traditional Mental Health programs

The traditional Mental Health programs are seeing some of the following issues:

1. Contract Appropriations: MHD has experienced an increase in adult residential client placements to contracted facilities, but is still expected to remain within budgeted contract appropriations. This could change if long-term placements continue to increase.
2. State Hospital Beds: The Mental Health Division is currently receiving a reduced 1991 Realignment allocation monthly, due to a forensic client placed in a state hospital bed. This client costs, on average, \$19K a month. This has reduced the revenue collections, and steps are being taken to identify a solution moving forward as typically these placements are not initiated by the Mental Health Division.
3. Psychiatric Health Facility (PHF): The PHF operations have been contracted out to Telecare Corporation. All former PHF employees have been relocated into other programs.

Mental Health Services Act (MHSA) Programs

MHSA Proposition 63 programs have projected revenues of \$9.5M and projected appropriations of \$10M. MHSA programs are using only \$537K in fund balance. The primary savings stem from staffing vacancies and contract savings. MHD is working to complete the FY 2015-16 MHSA Plan update, which will be finalized prior to the start of the fiscal year.

Alcohol and Drug (ADP) Programs

ADP has revenues projected at \$3.4M and appropriations projected at \$2.9M with projected fund balance savings of \$469K. The savings are due to a decrease in treatment provider contract costs.

Human Services – Net County Cost savings of \$55,280. General Fund contribution savings of \$484,061

Social Services Division (Fund Type 10) – No Change to Net County Cost

The Social Services Division (SSD) projects revenues of \$51.25M and appropriations of \$51.25M. SSD is projected to be within its Net County Cost for mandated General Assistance and Foster Care programs.

Social services collects federal and state revenues based on employee time studies, currently CalWORKS and Cal Fresh programs are underspending, therefore, under collecting available revenues primarily due to staffing inadequacies. HHS is preparing a plan for additional staffing allocations to address the CalWORKS shortfall this fiscal year and it will address Cal Fresh in the FY 2015-16 Proposed Budget request.

The Affordable Care Act (ACA) has shifted workload from the CalWORKS and Cal Fresh programs to Medi-Cal eligibility, which is projected to be overspent, compared to the allocation. The state has issued a notification that there will be additional funds distributed for the

unexpected cost increase of Medi-Cal administration due to ACA implementation, the County's share is \$570K.

Expenditures for Foster Care and Adoptions continue to increase. These mandatory programs were fully realigned with the 2011 Protective Services Realignment, funded by sales tax, which leaves the County at risk should it experience another economic downturn. HHS is proposing to place the future realignment growth received into a contingency account so the agency will be prepared when sales tax revenue decreases sometime in the future.

Community Services Division (CSD) - (Fund Type 10) - Net County Cost decrease of \$55,280

The Public Guardian program is projected to realize approximately \$55K in savings. This is largely due to staff vacancies.

Community Services Division (CSD) - (Fund Type 11) – General Fund contribution savings of \$484,061

CSD Fund 11 programs are projected to have a net of \$484K in General Fund savings. The programs include Low Income Heating and Energy Programs (LIHEAP) and the Area Agency on Aging programs, such as the Senior Center, Senior Nutrition, Senior Legal, and Senior Day Care (SDC). A large majority of the savings is in the Area on Aging programs that have a projected savings of \$331K primarily due to staff vacancies and Community Services Division Administration which is projecting \$60K in savings due to lower facility and utility costs. The rest of the savings within the CSD is due to staff vacancies throughout different programs.

Community Services Division (Fund 12)

The Public Housing Authority and In Home Supportive Services-Public Authority are operating within their budgeted appropriations and have no significant changes to report.

Veterans Affairs – – Net County Cost savings of \$36,554

The Veterans Affairs department is projecting an increase in revenues of approximately \$37,000 and a slight increase to appropriations resulting in a reduction in Net County Cost of approximately \$36,000.

The Net County Cost savings is due to the County receiving a onetime increase in state revenue of \$36,000.

Library – No change to Net County Cost

The department does not anticipate any material changes from its budget.

Child Support Services – No change to Net County Cost

The department does not anticipate any material changes from its budget.

