

State FY 2008-2009 Budget

Presented by County Executive Office
November 18, 2008

State FY 2008-2009 Budget

Overview:

- State Budget Adopted September 23rd
- Preliminary Revisions/Proposals of Special Session underway

Adopted State Budget

Admin of Justice/Public Safety

| Proposed Changes to Local Programs/Services | County Impact (as noted by CSAC) | Santa Barbara County Impact |
|---|--|--|
| Department of Justice (DOJ) Forensic Lab Fees | No impact to counties. (It is important to note that earlier iterations of the budget contemplated a \$32 million reduction in funding to the DOJ, which would have been offset by charging state and local agencies forensic lab fees. | No impact. Averted \$1 million cost spread to the County and cities. |
| Local Government Financing Citizens' Option for Public Safety (COPS) | 10% reduction (\$11.9 million) in COPS funding — which supports front-line services, jail operations, and prosecution efforts — for 2008-09. In addition, the state will distribute funding for the COPS program on a quarterly basis in four equal installments | -\$10,000 to Sheriff's Department depending on how cities with minimum grants are allocated. (Budgeted) |
| Local Government Financing Juvenile Justice Crime Prevention Act (JJCPA) | 10% reduction (\$11.9 million) in JJCPA funding — which supports a range of juvenile intervention and prevention programs and services — for 2008-09. In addition, the state will distribute JJCPA funding program on a quarterly basis in four equal installments | -\$133,793 has been included in the 2008-09 budget of Probation . |
| Local Government Financing Local detention facility subventions (booking fee "replacement" revenue). | 10% funding reduction (\$3.5 million) from the previous year. Given that funding for 2008-09 falls below \$35 million, counties may exercise their authority to charge a prorated booking fee. | -\$59,000 to Sheriff's Department. Net -\$20,000 as cities may be billed portion. |
| Department of Corrections and Rehabilitation Juvenile Probation and Camps Funding (JPCF) | 10% reduction(\$20.1 million) in JPCF funding — which supports core juvenile probation services, as well as juvenile camps and ranches —in 2008-09. | In the absence of a specific allocation to the County, Probation estimates -\$344,000 (not budgeted). |

Adopted State Budget

Admin of Justice/Public Safety

| Proposed Changes to Local Programs/Services | County Impact (as noted by CSAC) | Santa Barbara County Impact |
|--|--|--|
| <p>Department of Corrections and Rehabilitation Various sentencing and parole reforms Reentry Facilities Program Study and Acquisition</p> | <p>Corrections reform measures, including parole and sentencing changes/credit earning reforms — was not part of the final budget Language to require counties to reimburse the state for due diligence activities if a reentry facility site proved to be not viable was not part of the final budget package.</p> | <p>AB 900 on corrections reform was not included in the budget trailer.</p> |
| <p>Office of Emergency Services California Methamphetamine Enforcement Teams (CAL-MMET)</p> | <p>\$10 million reduction in funding distributed to task forces operating in 41 counties that support enforcement of methamphetamine eradication efforts.</p> | <p>The Cal-MMET grant was funded at 61% by the State. The potential impact to the County, based on a 39% decrease in funding, could be up -\$136,000. (not budgeted)</p> |
| <p>Commission on State Mandates Sexually Violent Predator (SVP) Mandate</p> | <p>If the Commission reverses its decision regarding SVP mandate, counties would no longer be permitted to seek reimbursement. (However, note that a pending court case will need to be resolved before the Commission could undertake this review.)</p> | <p>Public Defender included SVP in SB 90 claims. Impact not determined at this time since court case is pending.</p> |

Adopted State Budget Agriculture & Natural Resources

| Proposed Changes to Local Programs/Services | County Impact | County Impact |
|---|--|--|
| Williamson Act | The budget contains a 10% reduction (\$3.9 million) to Williamson Act subvention payments. | -\$65,000 to General Fund (not budgeted) |

Adopted State Budget Govt Ops & Finance

| Proposed Changes to Local Programs/Services | County Impact | County Impact |
|---|---|---|
| Proposes deferral of the annual \$75 million payment of old mandate claims (pre-July 2004). | \$75 million delayed payment for pre-July 2004 mandates. | -\$630,000 in deferred payment (did not budget for repayment). |
| Mandate reimbursements and suspensions | The Legislature funded 43 mandates and suspended 29. A full list of each is available in the 'Government Finance and Operations' section of our website. | County has not filed for many of these newly suspended mandates. |
| Presidential Primary | SB 113 (2007) moved the Presidential Primary to February and provided intent language to fully reimburse counties for costs resulting from the presidential elections in February. | +\$1.5 million to General Fund to reimburse cost incurred by Clerk-Recorder-Assessor. |
| 2008-09 Redevelopment ERAF Payments | - Redevelopment agencies (RDAs) will transfer funds by May 10, 2009. This new ERAF shift equals the greater of either \$350 million or 5% of RDAs' total statewide property tax revenues. | -\$300,000 to Redevelopment Agency funds (not budgeted). |
| California State Library – Local Assistance | The Governor vetoed part of the funding – totaling 1,725,000, which include: <ul style="list-style-type: none"> •Public Library Foundation (\$718,000 cut) •Direct Loan and Interlibrary Loan (\$717,000 cut) | Public Library Fund Santa Barbara: -\$12,054 Lompoc: -\$5,212 Santa Maria: +\$1,835 |

Adopted State Budget

Human Services- Social Services

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|---|--|---|
| <p>CalWORKs Employment Services</p> | <p>The budget includes a \$60 million reduction to CalWORKs employment services funding. In addition, the budget reduces the CalWORKs single allocation by \$20.6 million and backfills it with unspent performance and fraud incentive funding already earned by counties. The language specified that the reduction will be the less of \$20.6 million or the amount actually available in unspent funds.</p> <p>County administration of CalWORKs has not received a cost of doing business increase since 2000. The reduction of \$60 million would fund 450 CalWORKs eligibility workers. The CalWORKs reductions reduce California's chances of meeting the federal requirements, getting people back to work and rooting out fraudulent activity.</p> | <p>The CalWORKs program will sustain a reduction of \$2.4 million, resulting in a loss of 21.75 FTEs and layoffs of approximately 16 positions. (97.8 Line Worker FTEs currently in CalWORKs). (not budgeted)</p> |

Adopted State Budget

Human Services- Social Services

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|---|--|--|
| <p>Adult Protective Services</p> | <p>The final budget reduces funding for Adult Protective Services (APS) by \$11.4 million. APS has not received a cost of doing business increase since 2001. The budget cut translates into a loss of 75 APS social workers statewide, with 18,755 fewer incidents of elder abuse and neglect investigated each year and, of those that are investigated, an estimated 2,509 reports will have to be closed without a face-to-face interview. The cut will shift costs to local law enforcement and related emergency services, including psychiatric and paramedic response.</p> <p>In addition, the Governor reduced Department of Aging funds by \$13.2 million for 9 senior programs, including home delivered meals, Alzheimer's Day Care Resources, and the Linkages Program.</p> | <p>-\$150,000 while at the same time experiencing a 3% caseload growth.</p> <p>Reduction of 2 positions in APS (the positions are vacant and will be unfunded). (not budgeted)</p> |

Adopted State Budget Human Services-Additional

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|--|--|---|
| <p>County Administration of Medi-Cal</p> | <p>The final budget reduces funding for county administration of Medi-Cal by \$106.8 million (state and federal funds), including a \$64.6 million cut to the Cost of Living Adjustment <u>and</u> \$42.2 million cut to caseload growth. Reductions to county administration of Medi-Cal will impact current Medi-Cal recipients and new applicants. The county administrative funds proposed to be cut by the Governor would fund more than 1,000 eligibility workers statewide. Staff will juggle higher caseloads – which will adversely affect the time it takes to determine initial and ongoing eligibility, and access to health care will be delayed.</p> | <p>According to ADMHS, this will impact minor consent Drug Medi-Cal Currently DSS staff go to the provider sites weekly to certify Med-cal eligibility monthly. According to DSS, the department expects funding to remain flat for Med-Cal, however caseloads are increasing at a rate of approximately 3% with no funding for additional staff.</p> |
| <p>County Administration of Food Stamps</p> | <p>The budget includes a \$20.9 million cut (\$12.3 million federal funds, \$8.6 million GF). Counties believe the proposed cut will result in delayed eligibility for an estimated 60,000 parents and children. Previous under-funding, combined with increasing caseload, is already causing longer waits for families to get benefits. Counties are also concerned about increased errors due to inadequate staffing, the loss of federal funds, and possible federal penalties due to rising error rates. Counties would have to pay 90 percent of any penalties the federal government.</p> | <p>DSS expects funding to remain flat. Additional funding received for caseload growth offset the three percent reduction in Food Stamps, which results in no funding for additional staff to work increased caseloads. The Food Stamp program is experiencing a 9% caseload growth over the same period last year.</p> |

Adopted State Budget Human Services Additional

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|--|---|---|
| <p>County Administration of In-Home Supportive Services</p> | <p>The budget also includes a \$12.7 million cut (\$7.4 million federal funds, \$5.3 million GF) to county administration of IHSS. The state's multi-years-long failure to fund county administration of the IHSS program, estimated by the Administration at \$78.2 million (\$32.6 million General Fund), has negatively impacted counties' ability to administer the program. On top of that, caseloads in the IHSS program have been rising steadily.</p> | <p>DSS expects funding to remain flat. Additional funding received for caseload growth offset the reduction in IHSS, which results in no funding for additional staff to work increased caseloads. The IHSS program is experiencing a 5.5% caseload growth over the same period last year. Additionally, there's a 5.5% increase in authorized hours.</p> |

Adopted State Budget Health

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|---|--|--|
| Medi-Cal Provider Rates | 10% Medi-Cal provider rate reductions until 3/1/09 5% the rate cut restored for pharmacy, managed care and long-term care facilities on 3/1/09. Physicians may decide to stop taking Medi-Cal patients, demand for services at county hospitals and clinics would increase. | -\$100,000 to Public Health Fund, Department's status as FQHC exempts it from provider cuts so clinic services are not as impacted (not budgeted). |
| California Children's Services (CCS) | The budget includes a reduction of \$3.854 General Fund from CCS and \$2.421 million Federal V was used to partially backfill for this reduction, for a net reduction of \$1.433 million General Fund to Medical Therapy. CCS' Medical Therapy Program provides evaluation, treatment, consultation and case management services to children up to 21 years of age | -\$450,000 to Public Health Fund. Potential to unfund 6 FTE. Delayed authorization and access to care for children with catastrophic health conditions (not budgeted). |
| Child Health and Disability Prevention Program (CHDP) | The budget includes a 10% reduction for outreach, education and case management for children receiving CHDP preventive health care. This is a \$3 million (\$1.9 million federal funds) reduction for Medi-Cal/CHDP. | -\$35,000 loss to Public Health Fund. PHD will need to reassign a .5 FTE (not budgeted). |
| State Pandemic Flu Funds for local health jurisdictions | The budget reduces funding by \$6.9 million. | -\$79,000 to Public Health Fund reduced education and training exercises/drills (not budgeted). |
| Ocean Water Testing | The budget eliminates funding for weekly ocean water testing during summer months (April-October) in the amount of \$57,000. \$14,000 in local funding for testing in winter months was eliminated | -\$137,000 to Public Health Fund (not budgeted). |

Adopted State Budget Health Additional

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|---|---|---|
| <p>Medi-Cal: Semi-Annual Reporting</p> | <p>The budget requires semi-annual status reporting for children enrolled in the Medi-Cal program. Please recall that adults are already required to report semi-annually. This provision would take effect on January 1, 2009 and sunset on January 1, 2012.</p> <p>Those who are dropped from the system will re-enroll when they present with a serious illness, resulting in higher costs. If Medi-Cal/CCS children lose their Medi-Cal Eligibility they would become straight California Children's Services (CCS) recipients and counties would then have a 50% share of the cost for their care.</p> | <p>Potential for some Medi-Cal eligible individuals to become disenrolled and services not covered. May result in some unreimbursable costs to Public Health Department.</p> <p>For ADMHS, this will impact clients receiving Drug Medi-Cal benefits, especially peri-natal services if they are unable to process their semi-annual eligibility. Also impact clients in the CalWORKs system of care.</p> |
| <p>Proposition 36 and Offender Treatment Program (OTP)</p> | <p>The final budget reduces funding for Proposition 36 and the Offender Treatment Program by a combined \$12 million - \$10 million reduction to the Proposition 36 allocation and \$2 million reduction to the Offender Treatment Program.</p> <p>These programs are already under-funded. Based on surveys, counties believe that well over \$200 million is needed statewide to adequately fund the appropriate levels of treatment and supervision for Proposition 36/OTP.</p> | <p>Reductions to Prop 36/OTP have resulted in strategies to reduce treatment cost in ADMHS. Treatment protocols have reduced length of treatment from 12-18 months to 9-15 months. Ancillary services have been eliminated, including vocational counseling and some sober housing. Developing a wait list/interim services protocol due to a decrease in treatment slots.</p> |

Adopted State Budget Health Additional

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|---|---|--|
| Mental Health Managed Care | The budget reduces mental health managed care funding by \$13.07 million. The budget included a \$5.35 million GF (\$10.7 million all funds) to delete state support for implementation of federal regulations. The Governor used his authority to reduce funding by an additional \$7.7 million GF. Please recall that the COLA was eliminated in the Special Session. | ADMHS had budgeted in 08/09 for a 10% decrease over funding for 07/08. Final budget was a 5.6% decrease resulting in a \$41, 412 actual decreases from 07/08 allocation. This will have a positive variance of \$29,988 in 08/09 budget. |
| Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program | The budget includes an alternative EPSDT Statewide Performance Improvement Project, for a savings of \$29.1 million (\$12.15 million GF, \$14.5 million federal funds). AB 1183 includes trailer bill language to implement the Performance Improvement Project. Please recall that the EPSDT COLA was eliminated in the Special Session. | For ADMHS, Alcohol and Drug program will have an impact on children with co-occurring disorders and children of families in peri-natal treatment or involved in CalWORKs. |
| County Purchase of State Mental Hospital Beds | The budget eliminates \$9.8 million General Fund that assists counties with the purchase of State Mental Hospital beds. | +\$15,000 cost incurred by ADMHS given current bed day State Hospital usage (not budgeted). |

Adopted State Budget Transportation

| Proposed Changes to Local Programs/Services | County Impact | County Impacts |
|---|--|--|
| Proposition 42 | Counties will receive \$286 million in Proposition 42 proceeds for maintenance, rehabilitation, and storm damage repair to improve the local transportation system. | +\$3.5 million to Public Works' Road Fund (Not budgeted at this amount). |
| Proposition 1B Local Streets and Roads | Counties will receive \$63 million in Proposition 1B Local Streets and Roads funding for safety, congestion relief, preservation, and transit improvements projects on the local system. | +\$773,000 to Public Works' Road Fund (not budgeted). |