

Health and Public Assistance

RESOURCE MANAGEMENT-GENERAL REVENUE
Fund 0064 General-Resource Management, Budget Unit 400

State Controller Schedules
 County Budget Act
 January 2010

County of Shasta
 Detail of Financing Sources and Financing Uses
 Governmental Funds
 Fiscal Year 2010-11

Schedule 9

Budget Unit: 400 - RESOURCE MGMT GEN REVENUES
Function: HEALTH & SANITATION
Activity: HEALTH

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
REVENUE FROM MONEY & PROPERTY	\$87,306	\$40,118		\$60,000	\$60,000
Total Revenues:	\$87,306	\$40,118		\$60,000	\$60,000
Total Expenditures/Appropriations:	\$0	\$0		\$0	\$0
Net Cost:	(\$87,306)	(\$40,118)		(\$60,000)	(\$60,000)

PROGRAM DESCRIPTION

The Resource Management General Revenue budget unit reflects revenue or charges allocated to the Resource Management Fund as a result of cash flow needs.

BUDGET REQUESTS

The FY 2009-10 requested budget includes \$60,000 in revenue generated from Interest Income on the department's fund reserves.

SUMMARY OF RECOMMENDATIONS

The CAO concurs with the requested budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

Not applicable.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

RESOURCE MANAGEMENT-ENVIRONMENTAL HEALTH DIVISION
Fund 0064 General-Resource Management, Budget Unit 402
Russ Mull, Director of Resource Management

State Controller Schedules
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 January 2010

County of Shasta
 Detail of Financing Sources and Financing Uses
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Schedule 9

Budget Unit: 402 - ENVIRONMENTAL HEALTH
Function: HEALTH & SANITATION
Activity: HEALTH

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10 Actual <input checked="" type="checkbox"/> Estimated <input type="checkbox"/>	2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
1	2	3	4	5
LICENSES, PERMITS & FRANCHISES	\$1,010,886	\$1,042,090	\$951,760	\$951,760
FINES, FORFEITURES & PENALTIES	\$25,500	\$41,708	\$0	\$0
INTERGOVERNMENTAL REVENUES	\$403,923	\$239,103	\$50,908	\$50,908
CHARGES FOR SERVICES	\$311,023	\$330,517	\$300,210	\$300,210
MISCELLANEOUS REVENUES	\$156	\$9,256	\$340	\$340
OTHR FINANCING SOURCES TRAN IN	\$113,141	\$116,494	\$116,708	\$116,708
OTHER FINANCING SRCS SALE F/A	\$8,280	\$0	\$0	\$0
Total Revenues:	\$1,872,910	\$1,779,170	\$1,419,926	\$1,419,926
SALARIES AND BENEFITS	\$1,432,664	\$1,320,841	\$1,336,499	\$1,336,499
SERVICES AND SUPPLIES	\$386,754	\$381,690	\$285,246	\$285,246
OTHER CHARGES	\$66,789	\$106,920	\$76,466	\$76,466
INTRAFUND TRANSFERS	(\$150,565)	(\$149,884)	(\$152,754)	(\$152,754)
OTHER FINANCING USES	\$7,637	\$9,363	\$0	\$0
Total Expenditures/Appropriations:	\$1,743,280	\$1,668,931	\$1,545,457	\$1,545,457
Net Cost:	(\$129,630)	(\$110,238)	\$125,531	\$125,531

PROGRAM DESCRIPTION

The Environmental Health Division of the Department of Resource Management is charged with the responsibility for enforcement of pertinent California health laws, rules, regulations, and Shasta County Ordinances. This responsibility covers Shasta County as well as the three incorporated cities within the County. Additionally, they provide technical environmental services to Trinity County.

This Division also provides specific permit and inspection programs which involve sewage disposal, individual wells, solid waste, hazardous materials storage and disclosure, underground tanks, food service facilities, public drinking water systems, swimming pools, housing and institutions, and medical waste management. By pulling together these various programs, Environmental Health additionally performs a

comprehensive environmental review of proposed land use projects. Environmental Health also serves as the enforcement agency responsible for solid waste and garbage code enforcement.

BUDGET REQUESTS

The FY 2010-11 requested budget includes expenditures in the amount of \$1.5 million and revenues in the amount of \$1.4 million. The FY 2010-11 expenditures have decreased by \$268,943 (14.8 percent) and revenues are decreased by \$291,483 (17 percent) as compared to FY 2009-10 adjusted budget. The FY 2010-11 requested budget expenditures exceed revenue by \$125,531 and will be covered by fund balance. The General Fund continues to support one full-time Senior Environmental Health Specialist position that works with un-reimbursed community Environmental Health programs.

The Community Education Section, which was started in 1989 and has been for the most part 100 percent grant funded, will be discontinued due to the elimination of most state grants. This will result in the layoff of 1.5 staff. Some remaining activity in Household Hazardous Waste collection will be maintained with existing Environmental Health positions.

SUMMARY OF RECOMMENDATIONS

The Auditor Controller modified the FY 2010-11 requested budget salaries and benefits with no impact to the expenditure total. The CAO concurs with the modified FY 2010-11 requested budget.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with this budget as recommended.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

MENTAL HEALTH SERVICES ACT
Fund 0081 Mental Health Services Act, Budget Unit 404
Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Schedule 9

Budget Unit: 404 - MENTAL HEALTH SERVICES ADMIN
Function: HEALTH & SANITATION
Activity: MENTAL HEALTH

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
REVENUE FROM MONEY & PROPERTY	\$93,723	\$61,869	\$50,000	\$50,000	
INTERGOVERNMENTAL REVENUES	\$3,547,823	\$13,569,005	\$9,164,100	\$9,164,100	
CHARGES FOR SERVICES	\$140	\$0	\$0	\$0	
MISCELLANEOUS REVENUES	\$5	\$321	\$0	\$0	
Total Revenues:	\$3,641,691	\$13,631,195	\$9,214,100	\$9,214,100	
SALARIES AND BENEFITS	\$2,330,676	\$3,109,919	\$4,354,435	\$4,354,435	
SERVICES AND SUPPLIES	\$1,708,352	\$2,073,932	\$6,017,601	\$6,017,601	
OTHER CHARGES	\$233,294	\$328,097	\$471,290	\$471,290	
FIXED ASSETS	\$0	\$77,469	\$25,000	\$25,000	
Total Expenditures/Appropriations:	\$4,272,323	\$5,589,418	\$10,868,326	\$10,868,326	
Net Cost:	\$630,632	(\$8,041,777)	\$1,654,226	\$1,654,226	

PROGRAM DESCRIPTION

The Mental Health Services Act (MHSA), passed by the voters as Proposition 63 in November 2004, represents a new funding stream to enable comprehensive and transformational approaches to community-based mental health services and supports for persons with, and at risk of serious mental illness. The goals of the MHSA are to define serious mental illness among children, adults and seniors as a condition deserving priority attention, including prevention and early intervention services and medical and supportive care; to reduce the long-term adverse impact on individuals, families, and state and local budgets resulting from untreated serious mental illness; to expand the kinds of successful, innovative service programs for children, adults and seniors begun in California, including culturally and linguistically competent approaches for underserved populations; to provide funds to adequately meet the needs of all children and adults who can be identified and enrolled in programs under this measure; and to ensure that all funds are expended in the most cost effective manner and

services are provided in accordance with recommended best practices subject to local and state oversight to ensure accountability to taxpayers and to the public.

These services are to be developed and implemented in collaboration with consumers of mental health services and their family members, as well as the community stakeholders. MHSA encourages outreach and engagement to populations that are currently not served or are considered underserved in existing mental health delivery systems. Funded programs include Community Services and Supports (CSS), which includes housing, Workforce Education and Training, Capital Facilities and Information Technology, Innovation, and Prevention and Early Intervention.

Utilizing MHSA funding, a variety of services are provided for residents experiencing acute psychiatric crises. Twenty-four hour, 7-day a week crisis response services support hospital emergency rooms and local law enforcement. Crisis Stabilization Services are provided for up to

23-hours to help clients to reduce acute psychiatric episodes, and determine if hospitalization is necessary. Crisis Residential and Recovery Center (CRR) services, are intended to provide residential crisis support for a period up to 30 days as a transition out of hospital care, or to ensure stability following an acute episode. This 15-bed facility has an average patient stay of approximately 7 days. The CRR is a local alternative to costly inpatient hospitalization outside of the Redding area.

In FY 2009-10, the department received final approval of its Prevention and Early Intervention (PEI) and Workforce Education and Training (WET) plans. PEI activities will focus on successful identification and management at the earliest onset of mental illness for both youth and older adults, decreasing stigmatization and other mental health community awareness efforts, suicide prevention, and parenting supports for youth in stressed families. WET activities will address shortages in the public mental health profession by creating educational and training opportunities which will expand and enhance the mental health workforce.

BUDGET REQUESTS

The appropriation request of \$10.8 million represents a decrease of \$2.0 million from the FY 2009-10 adjusted budget. Salaries and benefits expenditures are projected \$587,076 below the FY 2009-10 budget but higher than projected actual current year expenditures due to the gradual staffing and implementation of the PEI and WET program components. Mental Health staff continue to allocate their costs between the Mental Health (BU 410) and MSHA cost centers to accurately represent clients served. Services and Supplies expenditures are projected at approximately \$1.1 million below the FY 2009-10 adjusted budget, due mainly to lower projected contract expenditures. Other Charges category is projected at \$471,290, a reduction of \$312,281 (40 percent) from FY 2009-10 reflecting lower than anticipated supportive costs for clients designated as "full service partners."

In addition to a modest budgeted amount for interest, the Intergovernmental Revenues in the amount of \$9.16 million which support activities in this cost center come exclusively from the MSHA revenues and federal and state reimbursement for Medi-Cal covered youth and adult mental health

services provided to MSHA supported clients. MSHA revenue is expected to decline in the next few years due to a declining income tax base funding this program. The department will continue to monitor the revenues and adjust program expenditures accordingly. The department expects to fully fund its statutory prudent reserve level of \$1.8 million, by the end of the current fiscal year. This amount will fluctuate year to year, based upon the CSS funding levels. The reserve will remain in Shasta County's MSHA fund, but may only be accessed under certain economic conditions when continued funding of program activities is in jeopardy. There is no required match or General Fund contribution for program activities or the prudent reserve.

SUMMARY OF RECOMMENDATIONS

No modifications to the request are recommended.

PENDING ISSUES AND POLICY CONSIDERATIONS

MSHA funds continue to be a target of revenue to backfill state mental health service cuts, contrary to the original intent of the MSHA legislation. The latest attempt to use these funds as a backfill included nearly \$200 million to fund the state Early Periodic Screening Diagnosis, and Treatment (EPSDT) and Managed Care obligations. While the efforts to use this funding for purposes not intended by the original legislation have been unsuccessful to date, it continues to be viewed as a source of revenue available to offset deficits at the state level. Further, the state will implement a \$300 million rolling cash deferral of MSHA payments in FY 2010-11 for the second consecutive year. While Shasta County's MSHA fund is currently stable, continued erosion of MSHA funding, coupled with other mental health funding cuts will have a detrimental effect on local mental health services in the future.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

PUBLIC HEALTH-COUNTY MEDICAL SERVICES
Fund 0061 General-CMSP, Budget Unit 409
Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Budget Unit: 409 - COUNTY MEDICAL SERVICES PROG
Function: HEALTH & SANITATION
Activity: MEDICAL CARE

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Reconunended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
INTERGOVERNMENTAL REVENUES	\$10,862,983	\$10,333,457		\$8,000,000	\$8,000,000
Total Revenues:	\$10,862,983	\$10,333,457		\$8,000,000	\$8,000,000
OTHER CHARGES	\$10,862,983	\$10,333,457		\$8,000,000	\$8,000,000
Total Expenditures/Appropriations:	\$10,862,983	\$10,333,457		\$8,000,000	\$8,000,000
Net Cost:	\$0	\$0		\$0	\$0

PROGRAM DESCRIPTION

In FY 1990-91, the California Legislature enacted the State/Local Realignment program, which provided sales tax and vehicle license fees (VLF) to counties to finance Public Health, Mental Health, and Social Services, as well as the County Medical Services Program (CMSP), a Medi-Cal look-alike program serving medically indigent people who do not qualify for Medi-Cal. This cost center receives the VLF portion of Realignment revenue from the State, and then distributes it through a statutory formula to Public Health and Mental Health Realignment accounts. A large portion of the VLF funding received in this budget is distributed back to the State for CMSP program funding. This mechanism allows the State to avoid the state constitutional appropriation limit, which makes it difficult for the State to directly finance the CMSP program.

The State is no longer responsible for 100 percent of the costs of indigent care for Counties that participate in CMSP. Under current law, CMSP counties must absorb cost overruns in this program.

BUDGET REQUESTS

Revenue in this cost center is dependent on state allocations.

SUMMARY OF RECOMMENDATIONS

No modifications to the request are recommended.

PENDING ISSUES AND POLICY CONSIDERATIONS

None.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

MENTAL HEALTH

Fund 0080 Mental Health, Budget Unit 410

Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Budget Unit: 410 - MENTAL HEALTH
Function: HEALTH & SANITATION
Activity: MENTAL HEALTH

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
REVENUE FROM MONEY & PROPERTY	\$20,188	\$30,805	\$25,000	\$25,000	
INTERGOVERNMENTAL REVENUES	\$17,704,609	\$14,964,292	\$14,647,365	\$14,647,365	
CHARGES FOR SERVICES	\$255,142	\$186,579	\$206,469	\$206,469	
MISCELLANEOUS REVENUES	\$33,492	\$297	\$0	\$0	
OTHR FINANCING SOURCES TRAN IN	\$748,475	\$276,778	\$276,778	\$276,778	
OTHER FINANCING SRCS SALE F/A	\$1,437	\$5,152	\$0	\$0	
Total Revenues:	\$18,763,346	\$15,463,905	\$15,155,612	\$15,155,612	
SALARIES AND BENEFITS	\$7,204,912	\$6,384,023	\$6,323,959	\$6,323,959	
SERVICES AND SUPPLIES	\$2,416,910	\$1,934,701	\$2,274,013	\$2,274,013	
OTHER CHARGES	\$8,440,222	\$7,679,358	\$8,531,248	\$8,531,248	
INTRAFUND TRANSFERS	(\$1,123,250)	(\$986,298)	(\$1,249,298)	(\$1,249,298)	
OTHER FINANCING USES	\$27,062	\$25,271	\$35,000	\$35,000	
Total Expenditures/Appropriations:	\$16,965,856	\$15,037,056	\$15,914,922	\$15,914,922	
Net Cost:	(\$1,797,489)	(\$426,848)	\$759,310	\$759,310	

PROGRAM DESCRIPTION

Per statute, the role of County mental health services are to enable persons experiencing chronic and persistent mental illnesses, and children with serious emotional disturbances, to access services and programs that assist them in a manner tailored to each individual to better manage their illness, to achieve their personal goals, and to develop skills necessary to maintain recovery. For persons with Medi-Cal coverage, mental health services are largely provided under a managed care and related performance agreement with the State Department of Mental Health.

Outpatient specialty mental health services for Medi-Cal eligible and indigent individuals are authorized by the County. These services are provided directly and through contract providers. Funding is provided by a combination of state and federal dollars, including Medi-Cal Federal Financial Participation, Mental Health realignment, other state revenues including the managed care contract allocation, fees collected from patients

and insurance companies, and a County General Fund statutory Maintenance of Effort (MOE) contribution to receive Realignment.

Other areas of program significance include the continued provision of youth mental health services through the County's interagency child welfare system which includes a service and financial partnership between various Health and Human Services Agency (HHS) programs, as well as the Shasta County Office of Education and Shasta County Probation. The provision of short and long-term involuntary treatment and residential services are also a responsibility of this budget unit for adults and a shared responsibility with Social Services for foster children.

BUDGET REQUESTS

The FY 2010-11 budget request includes projected revenues in the amount of \$15.1 million and appropriations of \$15.9 million. The resulting \$751,412 deficit is proposed to be absorbed by Mental Health fund balance reserves. Successful management of dwindling financial resources over

the past several years has been achieved by reducing costs and serving qualifying clients under Mental Health Services Act (MHSA) programs. Further, alternative solutions for clients in acute hospital beds and locked Institutes for Mental Diseases (IMDs) have also conserved limited financial resources.

Overall, salaries and benefits are projected at \$6.3 million, which is consistent with the FY 2009-10 budget and current expenditures. The department continues to shift staffing between the Mental Health and MHSA budget units to better serve clients and maximize financial resources. Staff routinely work in both budgets with their costs allocated based upon the client that they are serving. In this manner, clients receive quality services without regard to the funding source. Costs for inpatient care and IMDs are projected at a level consistent with current year expenditures. While current hospitalizations and IMD placements are down, the budget reflects the expectation of an influx of state prison parolees released as a state budget solution. Many of these parolees have significant mental health issues and will rely on local mental health services, including institutional care.

Overall revenues in this budget are anticipated to be \$15.1 million, a reduction of \$435,835 from the FY 2009-10 budget. Currently, Medi-Cal revenues are higher due to a stimulus-funded increase in the Federal Medical Assistance Percentage (FMAP) from 50 percent to 61.59 percent, which will likely continue through FY 2010-11. However, the California Department of Mental Health (CDMH) has been historically slow in passing funding through to counties, so this budget unit reflects a more conservative approach in budgeting federal Medi-Cal revenues. Further, the revenue projection does not include payment of the FY 2006-07 and FY 2007-08 cost report settlements totaling approximately \$2 million. The FY 2006-07 cost settlement should have been paid by June 2009 and the FY 2007-08 should be paid by June 2010. CDMH has stated its intention to pay these cost settlements in the coming fiscal year, but historical delays in cost settlement payments have forced a conservative approach in budgeting payments.

Mental Health continues to experience realignment revenue losses, which will cumulatively total \$3.5 million by the end of FY 2010-11. Currently, Mental Health's realignment base is more than \$1.2 million below its FY 2006-07 level. The state Medi-Cal mental health managed care allocation is projected to be

\$533,347, which is roughly one-half of the FY 2008-09 allocation. Total General Fund requested is \$276,778, which includes the statutory Realignment MOE of \$266,778 and \$10,000 from Social Services General Fund support to leverage receipt of state and federal rehabilitation funding.

SUMMARY OF RECOMMENDATIONS

Minor adjustments were made in the Salaries and Benefits object level which have a net zero impact.

At the request of the department, the transfer of funds to the Social Services cost center was increased by \$7,898 to \$35,000 for the Supportive and Therapeutic Options Program (STOP) for juveniles. The revised net cost for this budget is \$759,310 and will be absorbed by fund balance reserves.

PENDING ISSUES AND POLICY CONSIDERATIONS

The most pressing issues for the mental health system continue to be the insufficiency of revenues to support expected levels of service. Two emergent issues revolve around "solutions" implemented as part of the state budget process. First, the state proposes to release large numbers of prison inmates. Many of these parolees will require mental health services, including costly institutionalization and acute hospitalization. The main funding sources to pay for these services are realignment and county general fund dollars, both of which are scarce. Second, the state has eliminated Medi-Cal coverage of "optional" benefits, which provide coverage for medically necessary services for patients in locked mental health facilities such as IMDs. Because the patients in these facilities are the responsibility of their county of residence, their medical costs will, presumably, become counties' financial liability. It is believed that the state's failure to pay these costs establishes a new mandate, which is legally prohibited under Proposition 1A, but that has not been tested by the California Commission on State Mandates or the courts.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

PUBLIC HEALTH

Fund 0196 Public Health, Budget Unit 411

Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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January 2010

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Budget Unit: 411 - PUBLIC HEALTH
Function: HEALTH & SANITATION
Activity: HEALTH

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
LICENSES, PERMITS & FRANCHISES	\$4,638	\$4,788	\$4,596	\$4,596	
FINES, FORFEITURES & PENALTIES	\$5,153	\$5,584	\$5,500	\$5,500	
REVENUE FROM MONEY & PROPERTY	\$36,486	\$22,258	\$51,500	\$51,500	
INTERGOVERNMENTAL REVENUES	\$9,948,413	\$9,567,685	\$9,768,847	\$9,768,847	
CHARGES FOR SERVICES	\$1,179,734	\$1,213,052	\$1,150,510	\$1,150,510	
MISCELLANEOUS REVENUES	\$471,544	\$286,743	\$153,750	\$153,750	
OTHR FINANCING SOURCES TRAN IN	\$47,048	\$49,019	\$50,786	\$50,786	
Total Revenues:	\$11,693,018	\$11,149,132	\$11,185,489	\$11,185,489	
SALARIES AND BENEFITS	\$9,960,741	\$9,503,105	\$9,153,589	\$9,153,589	
SERVICES AND SUPPLIES	\$6,083,501	\$5,299,012	\$6,680,851	\$6,680,851	
OTHER CHARGES	\$848,226	\$665,230	\$405,956	\$405,956	
FIXED ASSETS	\$7,115	\$71,082	\$75,015	\$75,015	
INTRA FUND TRANSFERS	(\$3,797,802)	(\$3,260,191)	(\$3,773,942)	(\$3,773,942)	
OTHER FINANCING USES	\$70,556	\$0	\$44,200	\$44,200	
Total Expenditures/Appropriations:	\$13,172,339	\$12,278,239	\$12,585,669	\$12,585,669	
Net Cost:	\$1,479,320	\$1,129,107	\$1,400,180	\$1,400,180	

PROGRAM DESCRIPTION

The purpose of Public Health is to work with the community to protect and improve health by actively promoting activities that focus on preventing disease and injury before they occur and controlling communicable diseases. As Public Health continues to maintain this focus, its role in protecting the public has become even more crucial with newly emerging diseases and bioterrorism threats, as well as the growing impact of chronic diseases on the population.

The budget unit includes the majority of the essential public health services within the Health and Human Services Agency that are provided for the community. Most of the programs within the four divisions in the Public Health Branch and one division in the Regional Services Branch are included in the 411 budget unit. Additionally, the public health nursing function within the Children's

Services Branch also resides in this budget unit.

BUDGET REQUESTS

The Public Health FY 2010-11 budget contains a General Fund contribution of the statutory maintenance of effort (MOE) level of \$184,049 necessary to obtain realignment revenue. As in the past, the majority of the general fund (\$125,224 for FY 2010-11) goes into Budget Unit 412 to support contracted Local Emergency Medical Services Agency (LEMSA) services, maintain county hospital records, and provide a reserve for payment of indigent health claims that fall within Shasta County indigent aid and care standards. The remaining funds (\$58,825) support activities in the main Public Health budget (Budget Unit 411). The total expenditure request for Public Health is \$12.5 million, a decrease of 4.5 percent compared to the FY 2009-10 adjusted budget.

Areas on which Public Health expects to focus in FY 2010-11 include continued final implementation of the "Healthy Shasta County 2010" strategic plan through community partnerships; development of a "Healthy Shasta County 2020" strategic plan, H1N1 and other emergency preparedness and communicable disease response and control capabilities; support of regional health promotion services to all geographical areas of Shasta County; chronic disease prevention, particularly related to obesity and tobacco use; and prevention efforts related to motor vehicle crash injuries and deaths. Public Health will also dedicate resources to prevent child abuse and neglect, substance abuse, and promotion of maternal, child, and adolescent health.

Overall staffing levels are expected to remain roughly the same in the budget year. Salaries and benefit expenditures are expected to decrease by \$688,550 (6.8 percent) from the adjusted FY 2009-10 budget, due to extended staff vacancies and the movement of senior managers and their direct support staff to the HHSA Administration budget with the cost being allocated back to programs based upon time studies. Operating expenses reflect a decrease of just over \$367,000 (5.2 percent) from the FY 2009-10 budget. This decrease is mainly attributable to a reduction in allocated HHSA and Public Health administration charges. Public Health will also realize a reduction in A-87 charges of \$258,936.

The budget includes fixed asset requests of \$75,015 as a placeholder to allow the purchase of replacement laboratory equipment quickly should aging equipment become inoperable. This authority will only be utilized if the equipment fails and cannot reasonably be repaired.

Public Health's largest single revenue stream continues to be Public Health realignment, which is made up of Vehicle License Fees (VLF) and Sales Tax (ST). Beginning in FY 2007-08, this funding stream began to decline as a result of the softening of the economy. By the end of FY 2008-09, Public Health realignment revenue had fallen from the FY 2006-07 level by \$1.3 million. This decline is expected to continue through the current and budget year and will result in a four-year cumulative loss of more than \$5.9 million. The projected realignment revenue for FY 2010-11 is \$9.8 million which is \$2.4 million less than the FY 2006-07 base amount (the year our base allocation peaked). At the same time, Public Health must continue to pay its County Medical Services Program (CMSP) contribution of \$5.4 million as required by statute, bringing the net

realignment revenue to public health down to \$4.8 million.

In addition to realignment loss, reductions in Office of Traffic Safety, Maternal and Child Health, Oral Health, AIDS, and federal bioterrorism preparedness funding are projected to continue as was experienced in FY 2009-10. Some of the revenue loss is offset by increases in the Women, Infants and Children (WIC) supplemental nutrition program, Medi-Cal Administrative Activities, and H1N1 Preparedness funding. Overall, intergovernmental revenues are projected to be approximately \$400,000 below the FY 2009-10 adjusted budget. Public Health continues to seek additional funds from multiple sources to replace lost realignment and categorical funding.

Charges for Services revenues are budgeted to be consistent with FY 2009-10 levels. Miscellaneous revenues are projected to decline by over \$400,000 from the FY 2009-10 due to funds for health officer and some WIC services provided to other counties and Safe Routes to School funding being recognized in Intergovernmental Revenues.

Overall, the department projects utilization of department reserves in the amount of \$996,270 and \$1.3 million in the current and budget years respectively. At this time, Public Health has sufficient reserves to support this level of deficit spending and deficits have not in previous years materialized to the extent budgeted. It is important for Public Health to maintain a reasonable level of reserves to sustain cash balances without having to borrow while awaiting payment for reimbursement-based grant funded programs. Public Health continues to take a very conservative approach to budget and maintains cost controls and efficiencies within its programs that allow it to maintain sufficient reserves to continue critical public health services in difficult budget years. In light of state budget cuts and other budget pressures anticipated to last beyond the current fiscal year, the department has tightened expenditure controls and continues to aggressively seek new revenue sources to support essential Public Health functions.

SUMMARY OF RECOMMENDATIONS

At the request of the department, the General Fund contribution was decreased by \$12,113, which is offset by an increase of the same amount in the corresponding Shasta County Health Care budget (BU 412); the overall Public Health MOE from the General Fund remains at \$184,049. A minor decrease was made to correct the fixed

asset amount for the lab refrigerator; this is offset by an increase of the same amount in Services and Supplies. The Bioterrorism Preparedness budget now includes \$44,200 to transfer to the Sheriff for a planned drill. The revised net use of fund reserves is \$1.4 million.

PENDING ISSUES AND POLICY CONSIDERATIONS

The most pressing challenge is the impact of the steep decline in realignment revenue. Public Health has a base allocation level of \$10.9 million, which is roughly equivalent to the level of realignment revenue received in FY 2002-03. Public Health projects FY 2009-10 receipts to be \$10.2 million, a further \$707,109 drop in revenue and further erosion of the realignment base. Public Health continues to provide the statutory amount of \$5.36 million contribution to the CMSP program to provide healthcare services for indigent adults. In this past, the state deducted

approximately 85 percent of Public Health realignment payments to pay the CMSP obligations. For FY 2009-10 and FY 2010-11, the CMSP board agreed to "smooth" the CMSP payment, dividing it into 10 equal installments, which are deducted from realigned vehicle license fee revenues. This allows Public Health to receive more realignment revenue earlier in the year, helping to sustain cash balances while awaiting payment for expenditure-based programs.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

PUBLIC HEALTH-HEALTH SERVICES
Fund 0196 Public Health, Budget Unit 412
Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Schedule 9

Budget Unit: 412 - SHASTA COUNTY HEALTH CARE
Function: HEALTH & SANITATION
Activity: MEDICAL CARE

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
CHARGES FOR SERVICES	\$33	\$108		\$0	\$0
MISCELLANEOUS REVENUES	\$0	\$69		\$0	\$0
OTHR FINANCING SOURCES TRAN IN	\$431,370	\$429,399		\$431,706	\$431,706
Total Revenues:	\$431,403	\$429,576		\$431,706	\$431,706
SERVICES AND SUPPLIES	\$82,839	\$89,468		\$90,893	\$90,893
OTHER CHARGES	\$66,573	\$333,030		\$382,369	\$382,369
INTRAFUND TRANSFERS	(\$63,928)	(\$70,106)		(\$71,556)	(\$71,556)
APPROP FOR CONTINGENCY	\$0	\$0		\$30,000	\$30,000
Total Expenditures/Appropriations:	\$85,484	\$352,392		\$431,706	\$431,706
Net Cost:	(\$345,918)	(\$77,183)		\$0	\$0

PROGRAM DESCRIPTION

The cost center accounts for the County Medical Services Program (CMSP) participation fee (a program to support medical care costs for indigent county residents), contingency reserve for medically indigent adults who do not qualify for CMSP, and the cost of the County's contract for Local Emergency Medical Services Agency (LEMSA) services and related medical communications expenditures. In addition, this cost center is responsible for the maintenance of Shasta General Hospital records since the hospital's closure in 1987, including requests for copies of records, subpoenas, lien payments, correspondence and purging of files.

Costs in this program are supported a portion of the County General Fund maintenance of effort (MOE) required to secure Public Health realignment as well as the statutory County General Fund payment of the CMSP participation fee.

BUDGET REQUESTS

The budget request includes the cost of the

LEMSA services contract at \$78,954 an increase of 2.5 percent from FY 2009-10, based on an estimate of the consumer price index (CPI) since the annual CPI was not yet known at the time the budgets were submitted. This budget also continues the lease of space in central Redding for hospital record storage with a modest negotiated increase in the annual rental cost. The CMSP participation fee is set in statute and remains the same in previous years. This year's budget also includes \$27,026 in a Contingency Reserve account for health care claims from medically indigent adults that are not CMSP-eligible but fall within the County's Welfare and Institutions Code section 17000 obligation. No claims have been processed for these costs in FY 2009-10, however claims can arise without warning, and the County must be prepared to pay them.

SUMMARY OF RECOMMENDATIONS

Appropriation for Contingency was increased slightly to \$30,000; the General Fund contribution was increased by \$12,113, which is offset by a decrease in the same amount in the corresponding Public Health MOE (BU 411); and the budgeted expenditure for LEMSAs services was increased to

\$88,093 in order to cover anticipated changes to our LEMSA agreement.

PENDING ISSUES AND POLICY CONSIDERATIONS

Recent budget decisions in Sacramento have decreased Medi-Cal coverage of certain optional benefits which could shift costs to CMSP and/or indigent medical care, which is funded solely by the County. Trigger provisions additionally proposed by Governor Schwarzenegger for FY 2010-11 if significant additional federal funding is not received, would further reduce Medi-Cal benefits and program eligibility. If these trigger reductions were to be enacted, both CMSP and indigent care would likely bear greater costs. On the other hand, federal health care reform proposals may assist with reducing CMSP and/or other indigent care obligations, and should be closely monitored for potential impacts. Since

CMSP is funded by small and medium counties' statutory contributions and Public Health Realignment funds, declining realignment revenues put additional pressure on CMSP to cut services or require participating counties to pay additional funds into the program. Should CMSP-covered services be reduced, it would increase the risk of payment for non-CMSP indigent medical care claims.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

PUBLIC HEALTH-CALIFORNIA CHILDREN'S SERVICES
Fund 0196 Public Health, Budget Unit 417
Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Schedule 9

Budget Unit: 417 - CALIFORNIA CHILDRENS SERVICES
Function: HEALTH & SANITATION
Activity: CALIFORNIA CHILDRENS SERVICES

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	5
INTERGOVERNMENTAL REVENUES	\$1,809,089	\$1,863,838		\$1,671,868	\$1,671,868
CHARGES FOR SERVICES	\$2,958	\$4,128		\$800	\$800
MISCELLANEOUS REVENUES	\$4,423	\$10,422		\$1,500	\$1,500
OTHR FINANCING SOURCES TRAN IN	\$168,075	\$138,075		\$131,171	\$131,171
Total Revenues:	\$1,984,546	\$2,016,464		\$1,805,339	\$1,805,339
SALARIES AND BENEFITS	\$1,131,706	\$1,138,141		\$1,560,834	\$1,560,834
SERVICES AND SUPPLIES	\$382,711	\$345,830		\$462,176	\$462,176
OTHER CHARGES	\$308,853	\$238,083		\$361,144	\$361,144
Total Expenditures/Appropriations:	\$1,823,271	\$1,722,055		\$2,384,154	\$2,384,154
Net Cost:	(\$161,275)	(\$294,408)		\$578,815	\$578,815

PROGRAM DESCRIPTION

California Children's Services (CCS) is a state-mandated program which provides diagnostic, treatment, case management, and therapy services for children and young adults under the age of 21 with severe disabilities/diseases that may be improved or corrected with special medical and therapy services. Low and moderate-income families are assisted with unusual medical expenses associated with caring for their disabled children. This program is funded by Social Services realignment revenue, categorical state funding, Medi-Cal fee for service, Public Health reserves, and a County General Fund appropriation.

BUDGET REQUESTS

The FY 2010-11 expenditure request represents an increase of \$79,036 over the FY 2009-10 adjusted budget, primarily due to normal step and health insurance increases and increases in other operating costs. While state revenue for this program is expected to increase slightly, because of a capped state allocation, the revenue increase

does not fully support the state's proportional share of the cost. The County General Fund contribution for FY 2010-11 is reduced by five percent to \$131,171, consistent with budget instructions as there is not a required maintenance of effort (MOE) for this program. The net cost of \$578,815 for FY 2010-11 will come from Public Health fund balance reserves.

SUMMARY OF RECOMMENDATIONS

No modifications to the request are recommended.

PENDING ISSUES AND POLICY CONSIDERATIONS

For the administrative/case management portion of the program the state and federal government previously funded 100 percent of costs for children on Medi-Cal, 82.5 percent of costs for children on Healthy Families insurance, and the state 50 percent for all other children. The therapy and medical care portion of the program was shared 50/50 between state and County. Beginning in FY 2008-09, the state capped the allocations for CCS, increasing the County's risk for financing of the

program for any expenses above the cap. The allocation formula used by the state to determine the cap penalized the most efficient counties, like Shasta, because it used a previous year's actual costs rather than a caseload-based standard. In FY 2009-10 the state attempted to re-evaluate this methodology to include a combination of client caseloads, prior year budgeted costs, and staffing standards based on number of children served, but were unsuccessful and reverted to the prior year's methodology. The state, in conjunction with the counties, is continuing to work on creating a methodology that incorporates staffing standards based on county caseload. The FY 2010-11 revenues have been projected based on this FY 2009-10 state allocation.

This is the ninth full year of CCS operating under Public Health oversight and the department continues to closely monitor expenditures for both administrative and diagnostic and treatment services. As in previous years, these costs are somewhat unpredictable due to fluctuations in Healthy Families and Medi-Cal client ratios and varying high-risk medical needs among CCS children. Therefore, due to the possibility of additional medical care costs, Medi-Cal and Healthy Families caseloads, and the decline and continued uncertainty of realignment revenues, Public Health bears the risk for the additional costs.

The state is currently reviewing legislation to reduce the eligibility for Healthy Families insurance from 250 percent down to 200 percent of the federal poverty level. If passed, more children will then become eligible for CCS, which has a higher county share of cost (50 percent vs. 17.5 percent). This legislation would, in essence, shift costs from the State to the County without any provision to relieve counties of their share of the additional cost associated with the increase. This type of legislation is indicative of the pressure from the current economic climate and state budget solutions that do not address the local impact that those solutions have on state programs administered at the local level. The department will continue to work with the Board of Supervisors and its own professional organizations to oppose legislation that does not adequately fund program changes at the state level that place additional financial burden upon counties.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

MENTAL HEALTH-ALCOHOL AND DRUG PROGRAMS
 Fund 0080 Mental Health, Budget Unit 422
 Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Schedule 9

Budget Unit: 422 - ALCOHOL & DRUG PROGRAMS
Function: HEALTH & SANITATION
Activity: DRUG & ALCOHOL ABUSE SERVICES

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	5
FINES, FORFEITURES & PENALTIES	\$31,959	\$28,933	\$28,300	\$28,300	\$28,300
INTERGOVERNMENTAL REVENUES	\$2,416,735	\$1,998,667	\$2,891,338	\$2,891,338	\$2,891,338
CHARGES FOR SERVICES	\$71,078	\$41,486	\$18,500	\$18,500	\$18,500
MISCELLANEOUS REVENUES	(\$45,831)	\$19	\$0	\$0	\$0
OTHR FINANCING SOURCES TRAN IN	\$14,341	\$14,324	\$13,180	\$13,180	\$13,180
Total Revenues:	\$2,488,283	\$2,083,430	\$2,951,318	\$2,951,318	\$2,951,318
SALARIES AND BENEFITS	\$909,987	\$713,372	\$1,410,543	\$1,410,543	\$1,410,543
SERVICES AND SUPPLIES	\$989,060	\$899,894	\$1,050,159	\$1,050,159	\$1,050,159
OTHER CHARGES	\$570,191	\$488,444	\$609,927	\$609,927	\$609,927
INTRAFUND TRANSFERS	(\$26,223)	(\$95,285)	\$0	\$0	\$0
Total Expenditures/Appropriations:	\$2,443,015	\$2,006,426	\$3,070,629	\$3,070,629	\$3,070,629
Net Cost:	(\$45,267)	(\$77,003)	\$119,311	\$119,311	\$119,311

PROGRAM DESCRIPTION

The Alcohol and Drug Program's (ADP) mission is to improve the quality of life in Shasta County by reducing the impact and incidence of alcohol and other drug use, misuse and abuse. The program provides prevention, intervention and treatment services. Outpatient counseling services are available to those in need of substance abuse treatment. Specialized treatment programs are offered for adolescents, seniors, and individuals with coexisting conditions of mental illness and substance abuse dependence. Residential alcohol and drug treatment is provided through contracts with local providers. Substance abuse prevention and HIV services are provided through an agreement with Public Health. The program is broken into three distinct units: Drug and Alcohol Services, Offender Treatment Program, and Behavioral Health Team.

million, an increase of \$895,716 from the FY 2009-10 budget. The increase is largely attributed to the movement of the CalWORKs funded Behavioral Health Team from the Perinatal budget (BU 425) into this budget unit. Behavioral Health Team activities are proposed to be expanded in the budget year to address CalWORKs clients' mental health, substance abuse, and domestic violence conditions, all of which are significant barriers to stable employment. The state has provided some flexibility in the expenditure of the CalWORKs funding to allow counties to structure programs financially to meet local needs.

Revenue in this cost center is expected to offset the expenditures and reflects an increase of \$837,480 from the FY 2009-10 budget. This increase is almost entirely attributable to the increase in CalWORKs funds. General Fund in this program is required to support the county share of cost to draw down the federal and state revenues. The General Fund contribution has been reduced to \$13,180 in the budget year to accommodate the five percent requested

BUDGET REQUESTS

The FY 2010-11 appropriation request is \$3

reduction. A budget deficit in this program of \$119,311 is proposed to be absorbed by fund balance reserves, which are sufficient to sustain this level of fund balance draw.

SUMMARY OF RECOMMENDATIONS

No modifications to the request are recommended.

PENDING ISSUES AND POLICY CONSIDERATIONS

Historically, state funds for alcohol and drug prevention and treatment services are targeted for reductions in difficult budget times. The current state budget deficit may drive a further decrease in

state funding for these valuable programs. However, the effect will not be known until a final state budget is passed later in the year.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.

MENTAL HEALTH-SUBSTANCE ABUSE & CRIME PREVENTION PROGRAM

Fund 0189 Substance Abuse Crime Prevention, Budget Unit 424

Marta McKenzie, R.D., M.P.H., Health and Human Services Agency Director

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Shedule 9

Budget Unit: 424 - SUBSTANCE ABUSE CRIME PREVENT

Function: HEALTH & SANITATION

Activity: DRUG & ALCOHOL ABUSE SERVICES

Detail By Revenue Category and Expenditure Object	2008-09 Actuals	2009-10		2010-11 Recommended	2010-11 Adopted by the Board of Supervisors
		Actual <input checked="" type="checkbox"/>	Estimated <input type="checkbox"/>		
1	2	3	4	5	
REVENUE FROM MONEY & PROPERTY	\$6,493	\$662	\$300	\$300	
INTERGOVERNMENTAL REVENUES	\$582,484	\$29,440	\$0	\$0	
CHARGES FOR SERVICES	\$7,983	\$1,572	\$2,500	\$2,500	
Total Revenues:	\$596,960	\$31,674	\$2,800	\$2,800	
SALARIES AND BENEFITS	\$321,447	\$16,967	\$0	\$0	
SERVICES AND SUPPLIES	\$280,852	\$23,404	\$0	\$0	
OTHER CHARGES	\$16,618	\$6,749	\$6,482	\$6,482	
INTRAFUND TRANSFERS	(\$22,211)	(\$2,268)	\$0	\$0	
Total Expenditures/Appropriations:	\$596,707	\$44,852	\$6,482	\$6,482	
Net Cost:	(\$253)	\$13,178	\$3,682	\$3,682	

PROGRAM DESCRIPTION

On November 7, 2000, Californians passed Proposition 36, the Substance Abuse and Crime Prevention Act of 2000 (SACPA). This initiative mandated that any person convicted of a nonviolent drug possession offense and any parolee determined by the Parole Authority to have committed a nonviolent drug possession offense (or violated any other drug-related condition of parole) would be diverted from incarceration into licensed or certified community-based drug treatment programs.

Alcohol and Drug Programs (ADP) was designated as the lead agency responsible for implementation and ongoing coordination of SACPA. To insure that all impacted parties had input into how SACPA operated in Shasta County, the SACPA Implementation Committee was convened for the purposes of monitoring this program. Along with Alcohol and Drug Program staff, the committee included representatives from the following agencies: County Probation, District Attorney, Mental Health, County Administrative Office, Public Defender's Office, Shasta County Superior

Court of California, and California State Parole.

In FY 2009-10, the state failed to fund this program, and funding is not projected to be restored for FY 2010-11.

BUDGET REQUESTS

Expenditures in this budget include only county A-87 central services charges in the amount of \$6,482. Revenues include a small amount of interest generated by residual funds restricted for SACPA use as well as a small amount of client revenue from previous program participants. The deficit in this program will be absorbed by Mental Health fund balance reserves.

SUMMARY OF RECOMMENDATIONS

No modifications to the request are recommended.

PENDING ISSUES AND POLICY CONSIDERATIONS

While this program was adopted by the voters, funding for this program was eliminated in FY

2009-10. SACPA laws are still in existence and the court can continue to allow offenders to participate in treatment services funded through other programs or self-pay.

DEPARTMENT HEAD CONCURRENCE OR APPEAL

The department head concurs with the recommended budget.

FINAL BOARD ACTION

Adopted as presented in the proposed budget.