

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
May 10, 2006

To: Board of Supervisors

From: Department of Human Assistance

Subject: Approve Appropriation Adjustment Request No. 26-074 – Requesting Release From General Fund Reserves To Mitigate Cost Shifts Associated With CalWIN Implementation

Contact: Cathy Girton, Budget Officer, 875-3556

Overview

During the final budget process for Fiscal Year 2005-2006 your Board established a General Fund reserve to mitigate cost shifts/subvention reductions resulting from anticipated staffing reallocations during the CalWIN implementation. At the time, the Department could not accurately determine the amount of General Fund deficit and indicated it would return at a later date to request release of these reserve funds. That information is now available, and the Department is requesting release of the General Fund reserve amount of \$1,012,270.

Recommendation

Approve the attached Appropriation Adjustment Request in the amount of \$1,012,270 to release General Fund reserves.

Measures/Evaluation

N/A

Fiscal Impact

This appropriation adjustment will not result in any increase in net county cost as these funds are currently maintained in a General Fund reserve established during the final budget process for Fiscal Year 2005-2006.

BACKGROUND

In March 2005 the Department implemented CalWIN, a new automated eligibility determination and case management system that replaced the existing Case Data System (CDS). As part of its implementation planning, the Department determined that staffing would need to be reallocated among programs, and this reallocation would result in cost shifts/subvention reductions due to reductions in claiming to federal/state programs.

DISCUSSION

Due to increased workload in the General Assistance program resulting from implementation of the CalWIN system, the Department reallocated twelve (12) full time equivalent positions that were budgeted in fully funded programs to the General Assistance Food Stamp (GAFS) program. The Department estimated the annualized cost of this temporary reallocation to be approximately \$1.7 million. Since the CalWIN implementation was not complete at the time of final budget hearings, the Department was unable to accurately determine the actual cost of this staff reallocation. During final budget hearings your Board approved a provision for reserve of \$1.01 million to cover the anticipated increase in General Fund cost for Fiscal Year 2005-2006. The Department agreed to return to your Board once the implementation was complete and accurate costs could be determined. The CalWIN implementation is now complete, and the Department has determined the staff reallocation will require the entire amount of the reserve. As a result, the Department is requesting your Board to release the General Fund reserve in the amount of \$1.01 million.

MEASURES/EVALUATION

N/A

FINANCIAL ANALYSIS

This appropriation adjustment will not result in any increase in net county cost as these funds are currently maintained in a General Fund reserve established during the final budget process for Fiscal Year 2005-2006.

Respectfully submitted,

APPROVED

BRUCE WAGSTAFF, Director
Department of Human Assistance

TERRY SCHUTTEN
County Executive

By:

PENELOPE CLARKE, Administrator
Countywide Services Agency

Attachment:

Appropriation Adjustment Request