

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
June 17, 2008

To: Board of Supervisors

From: Department of Human Assistance

Subject: Report Back On The Department Of Human Assistance's Prioritization Of Restorations

Supervisory
District: All

Contact: Bruce Wagstaff, Director, 875-3611

BACKGROUND

The Board of Supervisors requested the Department of Human Assistance (DHA) to identify its priorities for funding restorations in the event additional revenue could be identified. This prioritization is difficult because the priorities change depending on what happens with the State budget, which may not be finalized until September 2008.

DISCUSSION

The Department's mission is to promote self-sufficiency and provide a safety net for our most vulnerable populations. In developing our Fiscal Year 2008-09 budget, we have made every effort to minimize both the impact on our mission and the loss of State or Federal matching funds. In efforts to close our \$6.3 million General Fund deficit, the Department looked first to reduce operating costs, which comprise \$2.65 million, or 42 percent, of our proposed reductions. The remaining \$3.66 in reductions was generated through staff and service reductions.

Most of these staff reductions are the result of a lack of State funds to cover the cost of State mandated services within the Medi-Cal, CalWORKs, and Foster Care programs. The community support contracts that were reduced are considered "discretionary" services funded entirely with County General Fund.

The Department estimates it will receive \$236.9 million in State and Federal revenue to run our programs in Fiscal Year 2008-09, which would be a slight (3 percent) increase in State and Federal revenue compared to Fiscal Year 2007-08. This is due to anticipated caseload growth funds and a reallocation of available funds among counties. However, should this increase not

materialize, the Department may be faced with significant additional reductions for Fiscal Year 2008-09.

In the event the Department's State and Federal revenue is lower than anticipated, our top priority will be minimizing the impact on mandated State, Federal, and local programs, particularly those which are subject to State and Federal fiscal sanctions: CalWORKs, Medi-Cal, and Food Stamps. Accordingly, the Department will place the restoration of DHA positions performing eligibility determination and Welfare-To-Work functions as its highest priority in this situation.

However, if the Department's revenue assumptions are consistent with the actual allocations provided in the Fiscal Year 2008-09 State Budget, DHA's priority for restorations shifts to community provider contracts that provide a direct service to our most needy populations. Specifically, the Department would recommend the Board strongly consider restoration of: (1) South County Services, (2) WEAVE Domestic Violence, and (3) the Truancy Prevention Program. While not mandated, the services these community providers offer provide a direct benefit to the most needy and vulnerable members of our community.

As State Budget deliberations progress, the Department will have a better sense of what, if any, State and Federal revenue reductions or increases we will face. Accordingly, we will update the Board during the Final Budget Hearings held in September.

Respectfully submitted,

APPROVED:
TERRY SCHUTTEN
County Executive

BRUCE WAGSTAFF, Director
Department of Human Assistance

By: _____
PENELOPE CLARKE, Administrator
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BW:DK