

**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 Human Services Funding Deficit

Supervisorial
District: All

Contact: Bruce Wagstaff, Director, 875-3611

BACKGROUND

The Board has requested information regarding the annual amount of State and Federal funds lost due to the Human Services funding deficit.

DISCUSSION

The Department receives its funding for the CalWORKs, Food Stamp, Foster Care, and Adoptions Assistance programs from the California Department of Social Services (CDSS). Although County spending on these programs has increased over the past several years, State funding for them is frozen at Fiscal Year 2000-01 levels. As part of the Governor's 2008 May Revise, CDSS estimates that counties are underfunded by \$1.06 billion in State and Federal funds in the current year for administration of human services programs. For Fiscal Year 2008-09, this represents a loss of \$19.1 million in funding for DHA that otherwise would be available for services to the most vulnerable citizens in our community.

Although this loss of funding affects our ability to provide critically needed services, the Department has lived within its available allocations and has not requested County funding to cover the gap. On an ongoing basis the Department is unable to provide the full complement of services needed by our clients, and we lack the financial resources to hire sufficient staff to adequately manage caseloads. The current level of unreasonably high caseloads jeopardizes our ability to meet our mandates, which could lead to financial sanctions.

During the budget process for Fiscal Year 2007-08, the Legislature directed CDSS to determine the current cost of doing business for the human services programs. Each of the California counties was requested to provide staffing and expenditure data for the programs they provide. Counties were asked to provide updates to the original information in March of this year. Based on this information the California State Association of Counties, Urban Counties Caucus, Regional Council of Rural Counties, and County Welfare Directors Association have jointly written a letter to Legislative Budget Committees expressing strong opposition to the continued underfunding of county administration of human services programs, and counties are seeking trailer bill language to align expectations and funding for human services programs.

FINANCIAL ANALYSIS

The State's failure to fund cost of doing business increases results in a \$19.1 million annual shortfall in revenue for the Department.

Respectfully submitted,

APPROVED:
TERRY SCHUTTEN
County Executive

BRUCE WAGSTAFF, Director
Department of Human Assistance

By: _____
PENELOPE CLARKE, Administrator
Countywide Services Agency

BW:DK