

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Probation
PROGRAM	Juvenile Probation Camps Funding (JPCF) and Juvenile Justice Crime Prevention Act (JJCPA)

Budget Proposal, Issue, Initiative or Line Item:

Shift in funding from State General Fund to Vehicle License Fee Revenue for Probation programs: Juvenile Probation Camp Funds (JPCF) and Juvenile Justice Crime Prevention Act (JJCPA). The new state budget has shifted funding for Local Law Enforcement Activities from its General Fund expenditures to be 100% offset by vehicle license fee revenue.

Operational Impact Assessment:

JPCF funds a large portion of Probation Camps and Ranches. JJCPA funds several Juvenile programs, many in connection with other County agencies. Lack of funding means a reduction in services to juveniles in custody, on probation and not in custody, as well as at-risk juveniles who are not currently in the criminal justice system.

Probation will assess its operations to determine what change(s) may be necessary in facility operations contingent on JPCF funding. The Department will also work through the JJCC (Juvenile Justice Coordinating Council) on any funding changes emanating from JJCPA.

Budget Impact Assessment:

Funding instability for JPCF and JJCPA caused by this change in funding source could cause negative or positive variances in available financing. This is a new funding source for Probation. The Department will continue to closely monitor VLF funds and cash flow to the JPCF and JJCPA programs. Probation will continue to work with the JJCC and provide updates to the CEO's office as conditions warrant and upon request.

- Staffing (reduction or increase in full-time equivalent positions): unknown
- Gross cost (total appropriations): unknown
- Revenues (amounts and sources): unknown
- Net County Cost: unknown

Other Information:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Probation
PROGRAM	Substance Abuse and Crime Prevention Act (Proposition 36)

Budget Proposal, Issue, Initiative or Line Item:

Substance Abuse and Crime Prevention Act of 2000 (SACPA or Proposition 36) funding is eliminated. There is one-time augmentation funding available for the Offender Treatment Program (OTP), which serves drug court clients, to help mitigate this loss.

Operational Impact Assessment:

Current Proposition 36 case supervision services are no longer funded by the State. The Department may need to change its business model to "bank" Proposition 36 cases according to risk/need of each probationer. Depending on funding availability under the OTP one-time augmentation, limited services may be provided following a drug court model. See below.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Reduction of one full unit of nine Deputy Probation Officer II positions and one Supervising Probation Officer position, 10 positions total. Probation commenced assigning personnel to other department operations effective August 1, 2009.
- Gross cost (total appropriations): Reduction of \$1.1 million
- Revenues (amounts and sources): Reduction of \$1.1million
- Net County Cost: N/A

Other Information:

These losses could be partially offset, by OTP funds, if available. As reported in August, no funding formula has been established, but statewide, there could be \$45 million available to offset the loss of \$90 million in Proposition 36 revenue. Probation would need to collaborate with the Court, HCA, District Attorney, Public Defender and appropriate community-based organizations to determine accurate funding and OTP business model, which is most likely to follow the current drug court model in place. In order for the Department to staff Deputy Probation Officers in a drug court, their cost would need to be 100% offset by OTP funds.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Office of the District Attorney
PROGRAM:	Substance Abuse and Crime Prevention Act (Proposition 36)

<p><u>Budget Proposal, Issue, Initiative or Line Item:</u></p> <p>Substance Abuse and Crime Prevention Act of 2000 (SACPA or Proposition 36) funding is eliminated.</p>
<p><u>Operational Impact Assessment:</u></p> <p>The elimination of funding will reduce the participation of the District Attorney in the program.</p>
<p><u>Budget Impact Assessment:</u></p> <ul style="list-style-type: none"> ▪ Staffing (reduction or increase in full-time equivalent positions): The Office will take cost reduction measures to address budget shortfall resulting from the elimination of Proposition 36 funding. ▪ Gross cost (total appropriations): Reduction of \$328,483 ▪ Revenues (amounts and sources): Reduction of \$328,483 ▪ Net County Cost: N/A
<p><u>Other Information:</u></p> <p>N/A</p>

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Public Defender
PROGRAM:	Substance Abuse and Crime Prevention Act (Proposition 36)

Budget Proposal, Issue, Initiative or Line Item:

Substance Abuse and Crime Prevention Act of 2000 (SACPA or Proposition 36) funding is eliminated.

Operational Impact Assessment:

The Public Defender will continue to provide services to indigent clients as appointed by the courts. The services of the Public Defender are mandated under the Constitution of the United States and the California Constitution as well as under Penal Code Section 987. The court is obligated to appoint counsel to represent indigent persons who stand accused and the Public Defender must be appointed in Counties where available. If the Public Defender is unavailable to represent clients, the court will appoint private counsel at a cost to the County General Fund.

The elimination of SACPA funding will reduce the cost reimbursement for services provided to clients in the program.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Unknown
- Gross cost (total appropriations): Reduction of \$328,483
- Revenues (amounts and sources): Reduction of \$328,483
- Net County Cost: Impact to be determined

Other Information:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Health Care Agency/Behavioral Health Services
PROGRAM	California Work Opportunity and Responsibility to Kids Program (CalWORKs)

Budget Proposal, Issue, Initiative or Line Item:

California Work Opportunity and Responsibility to Kids Program (CalWORKs) – Reduced statewide grant in the amount of \$509 million.

Operational Impact Assessment:

CalWORKs participants are referred by Social Services Agency to Behavioral Health to overcome mental health and substance abuse issues that interfere with their ability to get or keep a job. Participants are referred to the Health Care Agency’s CalWORKs Regional Coordinators for referral to contracted outpatient provider services. In FY 2007-08 Health Care Agency served 1,313 clients. There are four contract providers providing services.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Reduction of 5.0 FTE
- Gross cost (total appropriations): Reduction of \$481,491
- Revenues (amounts and sources): Reduction of \$481,491
- Net County Cost: N/A

Other Information:

Health Care Agency receives the revenue through a cost apply agreement with the Social Services Agency. The Department is awaiting confirmation from SSA on the exact amount to be reduced, if any. In the meantime, 5.0 FTEs are being shifted to Mental Health Services Act (MHSA) funded programs in order to right-size the CalWORKs Program in Behavioral Health Services. This shift will have no client impacts.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Health Care Agency, Public Health, Disease Control and Epidemiology Division
PROGRAM	Office of AIDS Care and Education/Prevention Programs

Budget Proposal, Issue, Initiative or Line Item:

Reduce State General Fund by \$52 million for CDPH Office of AIDS (OA) Care and Education/Prevention programs. Specific action included eliminating all or most of State General Funding in HIV/AIDS programs such as HIV Counseling and Testing, Therapeutic Monitoring, Education and Prevention, Counseling and Testing and Early Intervention Program.

Operational Impact Assessment:

The Prevention and Testing Services Portfolio budget is reduced by \$543,678 (not including Behavioral Health funding covered in a separate budget impact assessment). The Prevention and Testing Services Portfolio includes the previous HIV Counseling and Testing grant and the Education and Prevention grant.

The Care Services Portfolio budget is reduced by \$855,431. The Care Services Portfolio includes the previous Early Intervention Program and Therapeutic Monitoring grants. In addition, the federal Ryan White Part B funding (previously a separate award), and the Home and Community Based Care program (previously awarded directly to AIDS Services Foundation) are now included in the portfolio funding to HCA.

These reductions will impact a number of HIV Care and education/prevention services. HCA's HIV Testing services provided 6,400 HIV client counseling and tests in 2008. Approximately 1,500 clients received therapeutic monitoring provided by the Public Health Lab. Early Intervention Program (EIP) provided transmission risk reduction, psychosocial, health and treatment education, and case management services for approximately 1,400 clients. Education and Prevention conducted outreach to prevent HIV transmission, change attitudes and behavior related to HIV, and to promote risk-reduction skills.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Reduction of 9.5 FTE
- Gross cost (total appropriations): Reduction of \$1,399,109
- Revenues (amounts and sources): Reduction of \$1,399,109
- Net County Cost: N/A

Other Information:

Though State General Funds in these programs were eliminated, the Office of AIDS has remaining federal funds that will be block granted to counties. The HIV Planning Council has also decided to redirect federal funding to backfill some of the reduced program activities that are eligible for federal funding to maintain the most critical services.

**IMPACT ASSESSMENT
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(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Health Care Agency/Behavioral Health Services
PROGRAM:	Early and Periodic Screening, Diagnosis, and Treatment Services (EPSDT)

Budget Proposal, Issue, Initiative or Line Item:

Reduction of \$14.6 million in Early and Periodic Screening, Diagnosis, and Treatment Services (EPSDT). The State will realize EPSDT savings from eliminating State General Fund support for County programs identified as new in fiscal years 2007-08 and 2008-09.

Operational Impact Assessment:

Contract providers offer community-based mental health services that utilize a client-centered approach. Specific services may include full service partnership services, individual and group therapy, medication support, crisis intervention, therapeutic behavior services, co-occurring disorder services, and linkage to other necessary health services. There are five contractors providing these services. HCA will backfill these cuts using Mental Health Services Act (MHSA) funds.

Budget Impact Assessment:

- Staffing (reduction in full-time equivalent positions): N/A
- Gross cost (total appropriations): Reduction of \$470,066
- Revenues (amounts and sources): Reduction of \$470,066
- Net County Cost: N/A

Other Information:

The Health Care Agency is expecting to use unspent MHSA funds to backfill the reduced EPSDT revenue.

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Health Care Agency/Public Health/Family Health
PROGRAM:	Maternal, Child and Adolescent Health Program (MCAH)

Budget Proposal, Issue, Initiative or Line Item:

All State General Funding in the amount of \$2.1 million for the Maternal, Child and Adolescent Health (MCAH) Program is eliminated.

Operational Impact Assessment:

A combination of State, Federal and Local funding enables local health jurisdictions to provide services and programs to improve the health of mothers, infants, children, adolescents, and families. The loss of \$65,304 in State General Fund revenue to MCAH will be offset by an unanticipated increase in revenue from the Pediatric Immunization Project.

Budget Impact Assessment:

- Staffing (reduction in full-time equivalent positions): N/A
- Gross cost (total appropriation): Reduction of \$65,304
- Revenues (amounts and sources): Reduction of \$65,304
- Net County Cost: N/A

Other Information:

The loss of \$65,304 in State General Fund revenue to MCAH will be offset by an unanticipated increase in revenue from the Pediatric Immunization Project.

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Health Care Agency/Public Health/Family Health
PROGRAM:	Children's Dental Disease Prevention

Budget Proposal, Issue, Initiative or Line Item:

The Children's Dental Disease Prevention Program of \$2.9 million at the State is suspended with all State General Fund allocation eliminated.

Operational Impact Assessment:

The State previously funded local health departments to provide comprehensive school-based dental disease prevention services to elementary school children at eligible schools (i.e., schools with 50% or more of their students receiving free or reduced cost lunch). The grant to Orange County was \$240,219 annually. This service is currently provided through a contract with Healthy Smiles for Kids of Orange County. Healthy Smiles provides comprehensive classroom dental disease prevention (including oral health and nutrition education, oral health screening, application of cavity preventing dental sealants, referrals for treatment; and oral health and nutrition education to parents) to over 26,000 elementary school children at 39 Orange County elementary schools. With the suspension of the Children's Dental disease Prevention Program at the State level and the elimination of State General Funding, the agreement with Healthy Smiles will be terminated.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriation): Reduction of \$240,219
- Revenues (amounts and sources): Reduction of \$240,219
- Net County Cost: N/A

Other Information:

N/A

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Health Care Agency/Public Health/Family Health
PROGRAM:	Adolescent Family Life Program (AFLP)

Budget Proposal, Issue, Initiative or Line Item:

The entire State General Fund allocation in the amount of \$10.8 million has been eliminated from the Maternal, Child and Adolescent Health (MCAH) / Adolescent Family Life Program (AFLP).

Operational Impact Assessment:

This funding source along with Federal and local funding enables AFLP staff to provide case management services to pregnant and parenting teens to ensure they have access to medical services, complete their education and avoid additional teen pregnancies. The elimination of State funding and the related loss of draw down Federal funding will reduce both staffing and the number of clients served. HCA will attempt to maintain these services with other grant funding, to the extent possible. If alternate funding is not acquired, 120 pregnant and parenting teens will not be served.

Budget Impact Assessment:

- Staffing (reduction in full-time equivalent positions): Reduction of 4.50 FTE
- Gross cost (total appropriation): Reduction of \$550,762
- Revenues (amounts and sources): Reduction of \$550,762
- Net County Cost: N/A

Other Information:

N/A

**IMPACT ASSESSMENT
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(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Health Care Agency/Behavioral Health Services
PROGRAM:	HIV Education and Prevention

Budget Proposal, Issue, Initiative or Line Item:

Eliminate \$24.6 million of State General Fund allocation to HIV Education and Prevention program that provides funding to local health jurisdictions to prevent HIV transmission, change attitudes and behavior related to HIV, and to promote risk-reduction skills.

Operational Impact Assessment:

This funding has supported the development and implementation of HIV education and prevention interventions to reduce the transmission of HIV; change individuals' knowledge and attitudes about HIV and risk behaviors; promote the development of risk reduction skills; and change community norms related to unsafe sexual and drug-taking behaviors. In FY 2007-08, 1,157 contacts were made through the Neighborhood Intervention Geared to High-risk Testing (NIGHT) program and 826 clients were served under the Education and Prevention program.

This program will be discontinued and HCA will attempt to place staff in MHSA funded programs. The result may be an increase in the transmission of HIV disease.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Reduction of 6.0 FTE
- Gross cost (total appropriations): Reduction of \$441,482
- Revenues (amounts and sources): Reduction of \$441,482
- Net County Cost: N/A

Other Information:

6.0 FTE are being shifted to MSHA funded programs.

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Health Care Agency/Behavioral Health Services
PROGRAM:	Mental Health Managed Care

Budget Proposal, Issue, Initiative or Line Item:

Reduce Mental Health Managed Care services to include only acute inpatient services and prescription drugs for Medi-Cal enrollees, for a State General Fund savings of \$113.4 million.

Operational Impact Assessment:

The Health Care Agency Behavioral Health Services serves as the Mental Health Plan for Medi-Cal beneficiaries and is responsible to assure access to and provide or arrange and pay for specialty mental health services when medical necessity criteria are met. The proposed reduction would severely reduce access to emergency services to our clients who are typically a danger to self and/or others or gravely disabled. In FY 2007-08, Evaluation and Treatment Services (ETS) admitted and treated over 3,400 clients and screened/authorized inpatient treatment for nearly 2,100. The contract providers and inpatient psychiatric hospitals provide inpatient services to over 9,000 clients. In order to maintain these services HCA will backfill with funds from the Managed Care reserve account for the current fiscal year.

Budget Impact Assessment:

- Staffing (reduction in full-time equivalent positions): N/A
- Gross cost (total appropriations): Reduction of \$4,313,800
- Revenues (amounts and sources): Reduction of \$4,313,800
- Net County Cost: N/A

Other Information:

The intent is to backfill with funds from the Managed Care reserve account for the first year. Long term ongoing impacts, including reduced human services contracts, will be factored into the 2009 Strategic Financial Plan.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
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DEPARTMENT/AGENCY NAME:	Health Care Agency/Behavioral Health Services
PROGRAM:	Substance Abuse & Crime Reduction Act (SACPA / Proposition 36)

Budget Proposal, Issue, Initiative or Line Item:

Eliminate Statewide grant in the amount of \$90 million for Substance Abuse & Crime Reduction Act (SACPA / Proposition 36).

Operational Impact Assessment:

Services will be reduced and modified, but not eliminated, as they will become unfunded mandates as required by Proposition 36.

Currently, clients referred by O.C. Probation, State Parole, or out-of-County Probation Departments receive up to 18 months of treatment from contracted providers at three different levels, (residential, outpatient, and intensive treatment), followed by continuing care services. Clients receive appropriate services based on assessed levels of need. These services will be reduced and/or modified and Orange County will experience extensive waiting lists for services. There are now approximately 1,400 SACPA clients in the ADAS system of care and 650 on waitlist to enter treatment.

Budget Impact Assessment: Please assess the impacts of the budget proposal, issue or line item as it relates to:

- Staffing (reduction or increase in full-time equivalent positions): Reduction of 9.0 FTE
- Gross cost (total appropriations): Reduction of \$4,114,760
- Revenues (amounts and sources): Reduction of \$4,114,760
- Net County Cost: N/A

Other Information:

As a sentencing law, drug offenders are mandated under SACPA to receive treatment in lieu of incarceration. The mandate will not change if funding is eliminated. This will lead to extremely long wait times for defendants to enter treatment, which could impact the court adjudication process. HCA has conducted a fee study which will provide funding to partially offset the loss of funds. HCA will also apply for federal Byrne grant funds.

5.0 FTEs are being shifted to MHSA funded Programs. 2.0 FTEs are being shifted to Contract Development and Management. 2.0 FTEs are remaining in ADAS to implement the Byrne funded program.

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	Child Welfare Services

Budget Proposal, Issue, Initiative or Line Item:

The State Budget reduces the statewide child welfare system maintenance and operations budget by 10% in FY 2009-10 and 2010-11 for an annual savings of \$4 million.

This is informational only as the CWS/CMS system is currently maintained by the State.

Operational Impact Assessment:

Reduced funding for maintenance and operations of the CWS/CMS system will impact the ability of the State to adequately maintain the system hardware, create the possibility of increased system downtime due to inadequate network/connectivity function, reduce State and contractor quality assurance, and affect service level agreements.

Delays or cancellation of required system changes may occur and would require extensive workaround solutions in order to comply with changing State and/or Federal mandates. In addition, the inability to document the Agency's compliance and progress towards State/Federal Outcome Measures may lead to fiscal sanctions.

Delays in client services may occur due to the possibility of increased system downtime due to inadequate network/connectivity function and time consuming workaround solutions in order to comply with changing State and/or Federal mandates.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriations): N/A
- Revenues (amounts and sources): N/A
- Net County Cost: N/A

Other:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	CalWIN

Budget Proposal, Issue, Initiative or Line Item:

The State Budget reduces the statewide automation systems maintenance and operations budget by \$4.5 million State General Fund. The CalWIN Consortium portion of this reduction is estimated to be \$2.1 million. The revised budget also enhances project flexibility by allowing the movement of funds between line items within the project's budget.

Operational Impact Assessment:

Reduced funding for maintenance and operations of the CalWIN system will impact the ability of the consortium to adequately maintain the system hardware, create the possibility of increased system downtime due to inadequate network/connectivity function, reduce contractor quality assurance, and affect service level agreements. Required system changes due to implementation of State and/or Federal mandate changes may not be compatible with current system software and would require increased County funding or extensive workaround solutions. Some of this impact may be offset by the ability to move funding between the project's line items.

Delays in client services may occur due to the possibility of increased system downtime due to inadequate network/connectivity function and time consuming workaround solutions in order to comply with changing State and/or Federal mandates.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriations): Reduction of \$249,691
- Revenues (amounts and sources): Reduction of \$236,882
- Net County Cost: Reduction of \$12,809

Other:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	Medi-Cal Administration

Budget Proposal, Issue, Initiative or Line Item:

The enacted FY 09-10 State Budget includes the following items for Medi-Cal:

- Governor included \$60.6 million General Fund reduction from county administration which will result in an additional \$60.6 million reduction in Federal funds.
- Provides additional administrative funding to counties to determine eligibility for other Medi-Cal program categories for SSI/SSP enrollees who lose benefits as a result of the proposed SSI/SSP grant reduction.
- Placed a cap on Healthy Families Program enrollment effective 7/17/09. All new applicants will be placed on a waiting list.
- Eliminated Certified Application Assistance, which provides up to \$60 to contractors for helping individuals enroll and remain in Medi-Cal and Healthy Families.

Operational Impact Assessment:

■ Operational Impact:

- Medi-Cal administrative funding reduction amount is projected at \$0.7 million to the FY 09/10 budgeted amount assuming the reduction is based on the May Revise amount.
- Additional administrative funding to process discontinued SSI/SSP enrollees is unknown.
- The Healthy Families Enrollment cap will result in an increased number of applications for Share of Cost Medi-Cal.
- Applicants assisted by contractors may obtain services directly from SSA resulting in increased traffic flow and intake workload. Recipients discontinued from Medi-Cal will increase resulting in a higher number of re-applications.

■ Client Impacts:

- An increase in the number of clients applying for Share of Cost Medi-Cal as a result of the Healthy Families Enrollment cap.
- Clients who are currently assisted in the Certified Application Assistance program may obtain services directly from SSA.
- The number of recipients discontinued from SSI/SSP and having to apply for Medi-Cal will increase due to the SSI/SSP grant reduction.

Workforce Impacts:

- Workload and case levels are expected to increase.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Unknown at this time.
- Gross cost (total appropriations): Reduction of \$700,000
- Revenues (amounts and sources): Reduction of \$700,000
- Net County Cost: N/A

After SSA receives the final state allocations, we will return to the Board to make budgetary adjustments based upon the State Budget.

Other:

N//A

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	In-Home Supportive Services (IHSS) Domestic and Related Services

Budget Proposal, Issue, Initiative or Line Item:

The enacted FY 09-10 State Budget eliminates all IHSS services for recipients with functional index (FI) scores below 2 and eliminates domestic and related services to recipients with FI ranking below 4.

Operational Impact Assessment:

■ Operational Impact:

The County cost of this program is driven by: number of clients, authorized client service hours, service hour cost, and share of cost contributed from Fed/State sources. Domestic and Related services include house cleaning, meal preparation and clean up, laundry, food shopping and errands. The reduction of authorized hours will potentially reduce the County cost for provider wages proportionately. However, it is anticipated that a significant number of the impacted clients will appeal these cuts by appealing their functional ranking. While the appeal is pending, the client will continue to receive benefits which do not need to be repaid if they lose the appeal. Clients that prevail at the appeal will be reassessed at a higher FI level and will be eligible for additional hours. Historically approximately 10-20% of clients prevail in these appeals. In addition, there will be administrative costs associated with the implementation of these changes which we are unable to determine at this time.

■ Client Impacts:

There will be an increase in the number of clients who become ineligible or whose authorized hours are reduced. It is anticipated that a significant number of the impacted clients will appeal these cuts by appealing their functional ranking.

■ Workforce Impacts:

The workload to implement the changes is expected to increase. However, at this time the Department is unable to determine the administrative costs associated with the implementation of these changes.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): Unknown at this time.
- Gross cost (total appropriations): Unknown at this time.
- Revenues (amounts and sources): Unknown at this time.
- Net County Cost: Unknown at this time.

Other:

N/A

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DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	IHSS Administration

Budget Proposal, Issue, Initiative or Line Item:

The enacted FY 09-10 State Budget includes an allocation of \$10 million to County IHSS fraud investigations and additional program integrity activities.

Operational Impact Assessment: Please assess the impacts of the budget proposal, issue, initiative or line item as it relates to Orange County. Specific information may include:

- Mandates:

New mandates include: fingerprinting over 18,000 clients in their homes, fingerprinting providers and running criminal background checks, provider orientations, obtaining signed statements from providers acknowledging program requirements, and unannounced home visits. To the extent that the state has specified who is responsible for performing these tasks, they have designated IHSS social workers and quality assurance staff.

- Operational Impacts:

This new policy requires Counties to submit a plan to CDSS that includes the program integrity and fraud investigation activities that the County plans to pursue and have the plan approved prior to the distribution of funds. There will be an increase in workload for current staff in order to meet the guidelines to access the additional funds. There may also be additional costs for criminal background checks for providers who qualify as “indigent.”

- Workforce Impacts:

It is estimated that the new mandates would require at least 2 additional FTEs. The additional costs for criminal background checks for providers who qualify as “indigent” could exceed \$500,000.

Budget Impact Assessment:

The additional funding will be included in the counties' IHSS Administration allocation. Orange County is expected to receive approximately \$210,000 based on current year's funding allocation. Additional implementation details will be needed to determine full impact on SSA operations and budget.

- Staffing (reduction or increase in full-time equivalent positions): Approximately 2 FTE's would be funded by the additional \$300,000 State and County Funds.
- Gross cost (total appropriations): Increase of \$300,000.
- Revenues (amounts and sources): Increase of \$210,000.
- Net County Cost: Increase of \$90,000.

After SSA receives the final state allocations, we will return to the Board to make budgetary adjustments based upon the State Budget.

Other:

N/A

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	IHSS Public Authority (Fund 590)

Budget Proposal, Issue, Initiative or Line Item:

The enacted FY 09-10 State Budget reduces funding for IHSS Public Authority (PA) administration by \$13.3 million. Public Authorities are the employers of IHSS providers for the purposes of collective bargaining over wages, hours, and other terms of employment.

Operational Impact Assessment:

■ Operational Impacts:

This PA administration reduction amounts to approximately 56% of the County's approved FY 2009-10 PA budget. This will result in the elimination of approximately 4 PA positions and impact PA operations by reducing response time to consumers and providers and delaying consumer/provider matches. It may also reduce funds related to consumer and provider trainings which will decrease the quality of the IHSS providers on the registry.

With less availability from the PA to assist IHSS consumers in provider-related issues, IHSS consumers may turn to their IHSS social workers for assistance.

■ Client Impacts:

Reduced funding and staffing may delay services to clients and providers in provider-related issues. Reduced funding for provider trainings may decrease the quality of the IHSS providers on the registry.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): No reduction to County staff; however, there may be a reduction to contracted staff.
- Gross cost (total appropriations): Reduction of \$578,397
- Revenues (amounts and sources): Reduction of \$578,397
- Net County Cost: N/A

SSA will return to the Board to make budgetary adjustments when final impacts are known, if reductions are required, SSA will reduce contracts as necessary.

Other:

N/A

**IMPACT ASSESSMENT
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DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	Adoption Assistance Program (AAP)

Budget Proposal, Issue, Initiative or Line Item:

The State Budget eliminates automatic increases in financial support to families adopting children with special needs. Benefit levels will be tied to need rather than automatically increasing based on age. The total cost savings are projected to be \$900,000 for the State General Fund.

Operational Impact Assessment: Please assess the impacts of the budget proposal, issue, initiative or line item as it relates to Orange County. Specific information may include:

■ Mandates:

Unknown at this time as statutory and regulatory changes will be required. The proposal will require changing eligibility definitions as well as grant levels.

■ Operations:

New regulations will require administrative costs to train staff and will require monitoring to ensure compliance. It is anticipated that staff will need to review all existing cases and apply new eligibility standards in order to determine grant amounts. The total impact is still unknown at this time.

■ Client Impacts:

Unknown at this time.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriations): Unknown at this time.
- Revenues (amounts and sources): Unknown at this time.
- Net County Cost: Unknown at this time.

Other:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	Child Welfare Services (CWS)

Budget Proposal, Issue, Initiative or Line Item:

The State Budget will decrease Child Welfare Services to all counties by 10% (\$80 million State General Fund). Counties would need to determine how to prioritize remaining funds in order to protect the health and safety of children while ensuring that all CWS statutory requirements are met.

Operational Impact Assessment:

■ Operational Impacts:

Child Welfare Services is a program of the federal government, operated by the State and administered through the counties. The funding allocation to counties is provided for emergency services, family maintenance services, family reunification services, and permanency planning services.

Reduced funding will impact staffing and the number of clients served. Contracted services would also be reduced resulting in wait lists to clients. SSA will attempt to maintain these services with the remaining funds available.

■ Client Impacts:

Reduced funding may delay services. Specific impacts will be determined once the final State allocation is known.

■ Workforce Impacts: Estimate the impact to your workforce to the extent possible.

Reduced funding may impact staffing levels and increase caseload sizes. Specific impacts will be determined once the final State allocation is known.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): None identified at this time
- Gross cost (total appropriations): Reduction of \$5,000,000
- Revenues (amounts and sources): Reduction of \$5,000,000
- Net County Cost: N/A

After SSA receives the final state allocations, we will return to the Board to make budgetary adjustments based upon the State Budget. If reductions are required, SSA will continue the hiring freeze for CWS and/or reduce contracts, as necessary.

Other:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	Foster Care Administration

Budget Proposal, Issue, Initiative or Line Item:

Effective October 1, 2009, the State Budget will reduce the basic rates by 10% for Foster Family Agency (FFA), Group Homes (GH), and Seriously Emotionally Disturbed (SED) caseloads. The total cost savings for the State are projected to be \$26.6 million State General Fund.

Operational Impact Assessment:

■ Operational Impacts:

Reduced rates could potentially promote the closures of some placements and limit services to Seriously Emotionally Disturbed children and children placed in Foster Family Agencies Group Homes. The Wraparound program may potentially decrease the number of families served and the rate reduction may limit the ability to expand services to keep at-risk children in the home. Reduction to SED placement funding may also result in a reduction of in-state SED providers which would lead to increased out-of-state costs. All of these factors could have an impact on the population at Orangewood Children's Home (OCH).

■ Client Impacts:

Reduced rates could potentially affect client services by promoting the closures of some placements and limit services to Seriously Emotionally Disturbed children and children placed in Foster Family Agencies Group Homes. Fewer services for at-risk children to remain in their homes will be provided as the Wraparound program realizes lower savings.

■ Workforce Impacts:

There will be an increase workload associated with manually updating the rate change in CalWIN and follow-up necessary to explain the rate change to providers. In addition, the population at OCH may be impacted.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriations): Reduction of \$2,809,703
- Revenues (amounts and sources): Reduction of \$1,476,294
- Net County Cost: Reduction of \$1,333,409

Other:

N/A

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	Transitional Housing Program Plus (THP+)

<p><u>Budget Proposal, Issue, Initiative or Line Item:</u></p> <p>The State Budget will reduce Transitional Housing Program Plus funding by \$5 million. In addition, the program may also be affected by an additional 10% cut to certain CWS programs.</p>
<p><u>Operational Impact Assessment:</u></p> <ul style="list-style-type: none"> ■ Operational Impacts: <p>This reduction will affect the Department’s ability to help establish permanency and independence among former foster youth who have emancipated. Former foster youth entered the program, making plans for both post-secondary education and employment based on their assumption that THP-Plus in Orange County would provide them stable housing for a period of up to 24 months. This proposed reduction will require both an immediate cessation in the approval of THP-Plus applications, and also an accelerated dismissal from the program of up to 15 former foster youth.</p> ■ Client Impacts: <p>In addition to a reduction in our ability to help establish permanency and independence among former foster youths, this proposed reduction will require both an immediate cessation in the approval of THP-Plus applications, and also accelerated dismissals from the program.</p>
<p><u>Budget Impact Assessment:</u> Please assess the impacts of the budget proposal, issue or line item as it relates to:</p> <ul style="list-style-type: none"> ■ Staffing (reduction or increase in full-time equivalent positions): N/A ■ Gross cost (total appropriations): Reduction of \$313,877 ■ Revenues (amounts and sources): Reduction of \$313,877 ■ Net County Cost: N/A
<p><u>Other:</u></p> <p>N/A</p>

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	CalWORKs Aid Payments

Budget Proposal, Issue, Initiative or Line Item:

The State's 2009-2010 budget makes a number of significant long term policy changes to the assistance payments of the CalWORKs program in order create savings for the State.

Changes proposed to be effective July 1, 2011 include:

- Modification of the Safety Net program to impose additional grant reductions for families not meeting state work participation requirements.
- Graduated financial sanctions for families not meeting state work participation requirements.
- Requirement of a semi-annual self-sufficiency review for mandatory individuals who are not meeting state work participation requirements.
- Restructuring of the existing 60-month time-on-aid clock for adults, and counting time in sanctioned status towards the cumulative 60-month limit.
- Elimination of Cost of Living Adjustments (COLAs) unless specified by statute (effective 01/01/2011).

Operational Impact Assessment:

■ Mandates:

- Imposes an initial 25% reduction to the grant amount for Safety Net families not meeting state work participation requirements, up to a maximum 50% reduction of the Safety Net grant. Imposes the same grant cuts for child-only families not meeting state participation requirements after 60 months of aid.
- Implements graduated sanctions for non-compliance with CalWORKs Welfare-to-Work (WTW) requirements.
- Requires a six-month self-sufficiency review for adults who are not meeting state work participation requirements.
- Establishes a new 48-month time on aid limit for adults within the existing 60 month limit.
- Permanently eliminates the statutory requirement for the CalWORKs COLA effective with the 2011 calendar year.

■ Operational Impacts:

- The Governor's budget will impose grant reductions up to 50% of the child-only grant for families not meeting CalWORKs work participation requirements.
- Increased ongoing administrative cost to track and follow up with these cases to both impose and attempt to remedy the sanctions

■ Client Impacts:

- The Governor's budget will impose grant reductions up to 50% of the child-only grant for families not meeting CalWORKs work participation requirements.
- Negatively impacts children whose benefits are reduced due to their parents' noncompliance.
- Requirement to conduct a six-month review.
- This change establishes a new 48-month time on aid limit within the existing 60-month limit, at which time the adult is removed from the assistance unit. After a break of 12 months, aid may be restored for the adult.
- Elimination of future COLAs.

■ Workforce Impacts:

- Administrative cost to train staff, increase in ongoing administrative cost to monitor adults' work participation, and to fully engage adults who are not meeting requirements, including unaided non-citizen parents.
- Increased ongoing administrative cost to track and follow up with these cases to both impose and attempt to remedy the sanctions.

Budget Impact Assessment:

Due to the unknown impact of the large number of policy changes and the effective date of July 2011, there is no financial impact projected in FY 09/10 and the impact in the out years is unknown at this time.

- Staffing (reduction or increase in full-time equivalent positions): None.
- Gross cost (total appropriations): FY 09/10 – no impact
- Revenues (amounts and sources): FY 09/10 – no impact
- Net County Cost: FY 09/10 – no impact

Other:

Changes are effective July 2011.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	Social Services Agency
PROGRAM:	CalWORKs

Budget Proposal, Issue, Initiative or Line Item:

Along with programmatic changes, the State Budget will reduce funding for Child Care and Employment Services by \$375 million annually for two consecutive years starting in FY 09/10.

Operational Impact Assessment:

- Mandates:
 - Allows a new Welfare-to-Work (WTW) exemption for single parent families with one child under 2 years of age, or two children under 6 years of age until 07/01/2011.
 - Suspends the 60-month Time on Aid (TOA) clock for individuals who are exempt from WTW participation and for those who have good cause for not participating due to lack of Supportive Services until 07/01/2011.
 - Gives Counties the option to redirect CalWORKs Mental Health/Substance Abuse (MH/SA) funding from existing MH/SA programs to other CalWORKs programs.
 - Delays implementation of Work Incentive Nutritional Supplement (WINS), Pre-Assistance Employment Readiness Services (PAERS) and Temporary Assistance Program (TAP) until 10/01/2011.
 - Provides additional funding through ARRA TANF Emergency Contingency Fund (ECF) for Subsidized Employment, short term non-recurring benefits, and supplemental basic assistance.
 - Provides counties with relief from Federal WTW penalties
- Operational Impacts:
 - Contracted Employment Services will be reduced or eliminated as the number of mandatory WTW participants decrease.
- Client Impacts: Estimate the impact to your clients to the extent possible.
 - Removal of these services will make it more difficult for clients to gain self-sufficiency.
- Workforce Impacts:
 - Manual tracking and monitoring of these exemptions will create additional workload.

Budget Impact Assessment:

For FY 09/10, per CDSS (California Department of Social Services), the \$375 million reduction may be mitigated by an increase due to caseload growth, however the amount is unknown at this time. For FY 10/11, the \$375 million reduction will be restored and reduced again.

- Staffing (reduction or increase in full-time equivalent positions): None at this time.
- Gross cost (total appropriations): No impact, reductions offset by estimated caseload growth from the State.
- Revenues (amounts and sources): No impact, reductions offset by estimated caseload growth from the State.
- Net County Cost: No change to the County's Maintenance of Effort.

After SSA receives the final state allocations, we will return to the Board to make budgetary adjustments based upon the State Budget. If reductions are required, SSA will continue a hiring freeze for CalWORKs and/or reduce contracts as necessary.

Other:

In addition to community partners, Probation, District Attorney, Housing and Community Services (HCS) and Health Care Agencies will be impacted as funding for client services are reduced.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	OC Community Services
PROGRAM:	Redevelopment Shift

Budget Proposal, Issue, Initiative or Line Item:

To assist the State with meeting the financial obligations under Proposition 98, the Budget includes an amendment to transfer \$1.7 billion from redevelopment agency revenues to a county-level Supplemental Revenue Augmentation Funds (SRAF). OCDA has estimated its contribution to be approximately \$8,788,594 for FY 2009-10.

An additional \$350 million is included for FY 2010-11. OCDA has estimated its contribution to be approximately \$1,809,416 for FY 2010-11.

State Budget Proposal	Est. OCDA Contribution
FY 2009-10 (\$1.7B)	\$8,788,594
FY 2010-11 (\$350M)	\$1,809,416
2-Yr Total (of \$2.05B)	\$10,598,010

Operational Impact Assessment:

■ Operational Impacts:

Sufficient funds exist to meet this obligation without impacting OCDA's current operations.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriations): FY 2009-10 estimated OCDA contribution of \$8,788,594
- Revenues (amounts and sources): N/A
- Net County Cost : N/A

Other Information:

FY 2010-11 impact is estimated at \$1,809,416.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	OC Community Services/ Office on Aging
PROGRAM:	Community-Based Services Programs

Budget Proposal, Issue, Initiative or Line Item:

Governor's line-item veto eliminated all Community-Based Services Programs funded by the State: Linkages, Respite, Senior Companion, Brown Bag, and Alzheimer's Day Care Resource Center (ADCRC), effective October 1, 2009.

Operational Impact Assessment:

Admin functions will not be required when programs are not operational, minimally reducing staff workload. Board action will be required to amend affected contracts. Staff will be required to ensure that all transition responsibilities related to the elimination of program funds are carried out subsequent to the termination of the contracts, per the State Standard Agreement.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): N/A
- Gross cost (total appropriations): Reduction of \$268,390
- Revenues (amounts and sources): Reduction of \$268,390
- Net County Cost: N/A

Other Information:

It is somewhat helpful that the cuts are not retroactive to July 1. The Caregiver Resource Centers, which are funded with State funds from the California Department of Mental Health (DMH), are being cut by more than 50%, which will in some measure impact the Title III E Family Caregiver Support Program in OC, since the Caregiver Resource Center is the contracted provider of that program. To date, the DMH cuts have not impacted the match requirements of our Federal Title III E funded program.

**IMPACT ASSESSMENT
STATE BUDGET FY 2009-10
(Updated as of 9/10/09)**

DEPARTMENT/AGENCY NAME:	General Fund, OC Libraries, OC Parks, Flood, and OCFA
PROGRAM:	Proposition 1A Borrowing

Budget Proposal, Issue, Initiative or Line Item:

The State Budget Act of 2009 includes a suspension of Proposition 1A (2004). The State will borrow \$1.9 billion in property tax from cities, counties, and special districts to pay for State budget requirements in FY 2009/10.

Operational Impact Assessment:

The suspension of Proposition 1A enables the State to borrow 8% of the prior year's property tax allocation from local agencies. Under the legislation, the borrowing creates a receivable that must be repaid with interest by June 2013. The legislation also authorizes a joint powers authority to purchase those receivables from local agencies that elect to securitize the receivable. The State will pay all costs of issuance and the interest on the bond issue.

The estimated impact to County agencies is as follows:

General Fund - \$37 million
 OC Parks - \$4.1 million
 OC Libraries - \$3.1 million
 Flood Control District - \$5.3 million
 OC Fire Authority - \$13.8 million

If the securitization is unavailable or the Board elects not to participate in the program, additional budget reductions and/or internal borrowing options may be considered.

Budget Impact Assessment:

- Staffing (reduction or increase in full-time equivalent positions): To be determined
- Gross cost (total appropriations): To be determined
- Revenues (amounts and sources): To be determined
- Net County Cost: To be determined

Other Information:

N/A