RECOMMENDED ACTION AND JUSTIFICATION:
Review and approve the attached letter from the Human Services Department and authorize the Chair to sign and send this letter to Advocacy, Inc. of Sacramento and the State Associations that work on programs in the Human Services Department.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
Please see attached

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Please see attached.

Financial Impact? ( ) Yes (X) No  Current FY Cost: $  Annual Recurring Cost: $
Budgeted In Current FY? ( ) Yes ( ) No ( ) Partially Funded
Amount in Budget: $  List Attachments, number pages consecutively
Additional Funding Needed: $  Pages 1-7 Budget Reductions Letter
Source:  Pages 8-10 ISAWS Migration Attachment
Internal Transfer
Unanticipated Revenue  4/5's vote
Transfer Between Funds  4/5's vote
Contingency  4/5's vote
( ) General  ( ) Other

CLERK’S USE ONLY:
Res. No.:  Ord. No. 
Vote – Ayes:  Noes:  
Absent:  
Approved
Minute Order Attached  ( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date:  
Attest: MARGIE WILLIAMS, Clerk of the Board
County of Mariposa, State of California
By:  
Deputy

COUNTY ADMINISTRATIVE OFFICER:
✓ Requested Action Recommended
No Opinion
Comments:

CAO:  

Revised Dec. 2002
TO: JIM RYDINGSWORD, Human Services Director
FROM: MARGIE WILLIAMS, Clerk of the Board
SUBJECT: Review and Approve Letter to Advocation, Inc. of Sacramento and the State Associations that Work on Programs in the Human Services Department and Authorize the Board of Supervisors Chair to Sign the Letter

RESOLUTION 08-51

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA

ADOPTED THIS Order on February 12, 2008

ACTION AND VOTE:

Jim Rydingsword, Human Services Director;
Review and Approve Letter to Advocation, Inc. of Sacramento and the State Associations that Work on Programs in the Human Services Department and Authorize the Board of Supervisors Chair to Sign the Letter

BOARD ACTION: Discussion was held with Jim Rydingsword relative to the letter and the following State budget reduction proposals: termination of the ISAWS migration project; reduction of rates to foster parents; reduction of rates for IHSS providers; and impacts to the alcohol and drug program. He requested that the letter be sent to the State associations and the County’s lobbyist. Rick Benson commented on the frugal operation of this department and its status. (M)Pickard, (S)Aborn, Res. 08-51 was adopted approving the letter, with direction for copies to also be sent to Advocation, Inc., RCRC, Senator Cogdill, and Assemblyman Berryhill/Ayes: Unanimous.

Cc: File
February 12, 2008

Paul McIntosh, Executive Director
California Supervisors Association of California
1100 K Street
Sacramento, CA 95814

Dear Mr. McIntosh:

The Mariposa County Board of Supervisors share the concerns of our fellow Supervisors in California and the constituents of Mariposa County on the issues that face California that have led to proposals by the Governor and the State Administration to seek immediate budget reductions in human service programs that are managed through the counties of California.

In the Budget Reduction Proposal there are many items of concerns including the proposed early release of prison inmates and summary parole, significant payment deferrals to counties, as well as an assortment of deep cuts to county-run health and human services programs that would threaten the life and safety of our most vulnerable populations. In Mariposa County we are concerned with all of these reductions and their impact on local service delivery systems. In the area of human services we feel compelled to offer comments and direction to our State Associations and County lobbyist.

Recommendations from the Mariposa County Board of Supervisors

Recommendation #1: The Mariposa County Board of Supervisors recommends that the County Supervisors Association of California (CSAC), the County Welfare Directors Association of California (CWDA), the California Mental Health Directors Association (CMHDA), the County Alcohol and Drug Programs Administrators Association of California (CADPAAC) and Advocation, Inc. of Sacramento work closely with the Governor, the State Administration and the State Legislature to continue California's support of needed human services programs in California's counties.

Interim Statewide Automated Welfare System (ISAWS) Migration Project

One of the items proposed in the Administration's Reduction Plan is the termination of the ISAWS Migration Project for 35 California counties, including Mariposa County. Thirty-five (35) California counties have used the Interim Statewide Automated Welfare System (ISAWS) since 1996 as their automated system for public assistance programs. Several years ago the ISAWS counties concluded that the system was no longer meeting their business needs. After functional and technical reviews of the alternatives all 35 counties selected the Consortium IV (C-IV) system as the alternative that would best meet their current and future needs. The C-IV Consortium currently has four
February 12, 2008

Chuck Cole, President
Advocation, Inc.
1121 L Street, Suite 610
Sacramento, CA 95814

Dear Mr. Cole:

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February 12, 2008

Patrick Ryan, MPA, Executive Director
California Mental Health Directors Association
2125 19th Street
Sacramento, CA 95818

Dear Mr. Ryan:

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February 12, 2008

Frank Mecca, Executive Director
County Welfare Directors Association of California
952 L Street, Suite 350
Sacramento, CA 95814

Dear Mr. Mecca:

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February 12, 2008

Tom Renfree, Executive Director
California Alcohol & Drug Program Administrators Association
1415 L Street, Suite 200
Sacramento, CA 95814

Dear Mr. Renfree:

The Mariposa County Board of Supervisors share the concerns of our fellow Supervisors in California and the constituents of Mariposa County on the issues that face California that have led to proposals by the Governor and the State Administration to seek immediate budget reductions in human service programs that are managed through the counties of California.

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member counties. The process of moving the 35 counties from the ISAWS to the C-IV system is called "migration."

Recommendation #2: We urge our State Associations and Advocation, Inc. of Sacramento to oppose this specific proposal and have attached a copy of the CWDA analysis of this proposal. In addition to the CWDA analysis, let us clarify some local concerns we have with the termination of the ISAWS Migration Project.

- Termination of the ISAWS Migration Project may jeopardize the fiscal stability of the Human Services Department because the development tool used in the current ISAWS system is outdated and support for this system will be discontinued by 2012.
- Under the current ISAWS Migration Project all counties will be converted to the new C-IV system by 2010. With the lead time necessary to migrate to a new system if the ISAWS Migration Project is terminated, the State will need to almost immediately re-start the procurement process.
- In the current ISAWS system, staff must do what are termed "workarounds" due to the difficulty of updating the current ISAWS system. Such "workarounds" mean that actions taken by the Department can be late or undone which can result in audit exceptions that may impact county general funds. The issue of "workarounds" will continue to be exacerbated as the ISAWS system becomes increasingly unworkable.
- The current ISAWS system is not an "expert" system. By "expert" system, we mean that the knowledge of the working of the system resides in staff rather than in the system. This means that we must constantly update procedures and training for staff in order to keep the system working. In counties that have already implemented the new ISAWS system (C-IV Counties) the "expertise" is built into the system allowing staff to concentrate more fully on client services and focus on financial independence for families.
- Termination of the ISAWS Migration Project has an impact on recruitment and retention of employees. By terminating the ISAWS Migration Project, the proposal of the Administration puts counties like Mariposa at a disadvantage in the competitive business of recruitment. Mariposa County already has issues around recruitment and, if we add outdated systems to the mix, it begins to create a competitive disadvantage for Mariposa County in retention and future recruitments.

Selected Cuts to Programs and Services

Recommendation #3: In addition to the termination of the ISAWS Migration Project, the multiple reductions that are in the Administration's Budget Reduction Proposal also will have an impact on services and clients in Mariposa County. Again, we support the positions and direction of CSAC and CWDA on these proposed Human Services budget reductions. We urge our State Associations and Advocation, Inc. of Sacramento to work closely with the Governor, the State Administration and the State Legislature to continue current service levels for clients in Mariposa County.
<p>| Program                  | State Impact                                                                                                                                                                                                                                                                                                                                 | Local Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CalWORKs                | The Administration’s Budget reduction proposes changes to the CalWORKs program that will implement restrictions on participating families. In reality, CalWORKs is not a “budget problem” for the state, and should not be a budget target. Since its inception, CalWORKs has contributed $11.9 billion to the state General Fund. CalWORKs has actually been a budget solution, not a problem, since significant amounts of federal TANF and state MOE funds have been shifted to other, non-CalWORKs programs, enabling the state to spend less General Fund. Further, CalWORKs caseload has declined or remained flat since 1995, even in the face of significant population growth in the state. | Historically, our work participation rates exceed the State-wide average. The proposal to increase work participation rates means spending more of our time in this program, which also increases the draw against the allocation. If the State Administration implements further restrictions on participating families, it could impact our ability to comply with revised work participation rates and can result in pressure on county general funds.                                                                                                                                                                                                                       |
| In Home Supportive      | The Administration proposes an 18 percent reduction in non-medical domestic and related services for recipients, extending annual reassessments from 12-months to 18-months as well as a 10 percent cut to funding for county program administration. We question whether these proposals will achieve the savings sought by the Administration and are concerned that these changes will put recipients at greater risk of institutional placement.     | A reduction of 18% in services for recipients will adversely impact our ability to maintain a viable provider work force through the IHSS Public Authority. Extending annual reassessments coupled with a 10% reduction in IHSS administration will result in less contact with this vulnerable population and can result in out-of-county institutional placement that will both disrupt the living situation of the elderly and may result in higher costs to the State for such placements.                                                                                                                                                                                                 |</p>
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<thead>
<tr>
<th>Program</th>
<th>State Impact</th>
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<tr>
<td>Adult Protective Services</td>
<td>Adult Protective Services (APS) is the only program in California that responds 24 hours a day/7 days a week to reports of abuse and neglect of seniors and dependent adults. The program was not fully funded when it was created by the Legislature in 1999, and funding has been frozen since 2002-03, seriously eroding counties’ ability to respond to these emergency situations. Last year, the Legislature recognized the critical situation in APS and added a much-needed augmentation of $12 million, which the Governor vetoed. Asking the program to take another cut totaling $119 million will decimate county APS programs.</td>
<td>In Mariposa County we respond to 150-175 referrals for Adult Protective Services each year and have an ongoing workload to protect about 20 adult and elderly residents. It is anticipated that our minimum APS allocation will remain the same in 2008-09. This minimum is currently less than the cost of one full time social worker in Mariposa County. These unit costs have been frozen since 2000/01 while wages &amp; benefits continue to go up. Should the minimum be cut and the County chooses to replace funding, the replacement funds would be County General funds since APS is not included under Program Realignment.</td>
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<tr>
<td>Child Welfare Services</td>
<td>The Administration’s proposed across-the-board cut of $83.7 million General Fund ($129.6 million total funds) from the Child Welfare Services (CWS) program will result in reduced services and potential harm to thousands of abused and neglected children in California. The child welfare system is already critically under funded, and the proposed cuts would threaten the health and safety of thousands of California’s children served by this vital safety net program. The cuts would irreparably reverse the strides made to improve outcomes for children and families and undermine recent legislative investments to improve the system.</td>
<td>Reduction of $33,361 in state funding which will result in the loss of federal funding of up to $60,000. The potential impact of increasing the county share from $152,988 to $186,349 to avoid loss of federal dollars will use up limited program realignment funds.</td>
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<td>Foster Care Rates</td>
<td>Foster care reimbursement rates are intended to cover the costs associated with caring and supervising foster children. Licensed foster families and approved relative caregivers receive a basic rate to cover the cost of board and care, which includes utilities, food, and transportation, as well as a modest clothing allowance. Foster families may also receive a special supplement to care for children with exceptional health and/or behavioral issues. Families who decide to adopt or assume legal guardianship may receive ongoing payment based on the foster care rate. All of these payments would be reduced by 10 percent under the Administration’s proposal.</td>
<td>In Mariposa County we currently have 20 licensed foster care homes and have just recently agreed to a contract for foster care beds in a receiving home. While we have dedicated foster parents, a reduction in foster care rates may result in a loss of local beds and require us to place children out of county resulting in higher staff cost because of the requirements to visit children in foster care.</td>
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<tr>
<td>Medi-Cal Program and Administration</td>
<td>The State-wide cuts proposed to Medi-Cal eligibility are deep, and will hurt new applicants and current beneficiaries alike. Further, the state will not achieve the level of anticipated savings due to the known costs of under funding county operations and the system as a whole will lose the $450 million in annual savings achieved by a 2003-04 agreement between the State Administration and the counties.</td>
<td>Because we operate a coordinated Medi-Cal program within the Department’s Eligibility, CalWORKs, Foster Care, and Mental Health programs, a reduction in Medi-Cal administration can impact this coordination resulting in loss of service contact and health care benefits to some of the most vulnerable populations in the County.</td>
</tr>
<tr>
<td>Mental Health Program</td>
<td>A 10% reduction to county mental health plans for managing the Medi-Cal Specialty Mental Health Managed Care Program in both the current and budget years. This totals $8.2 million General Fund in the current year and $23.8 million General Fund in the budget year. A 10% reduction to this program (which provides mental health assistance to school-aged children) only in the budget year, for a total reduction of $1.6 million.</td>
<td>The County operates the only mental health clinic in the county. As a result we are mandated to accept Medi-Cal clients. Should there be a reduction in Mental Health programs coupled with proposed reductions in the Medi-Cal rate, the result compounds itself within the program. If the County chooses to maintain a higher level of care in Mental Health programs, it can become an additional cost to Program Realignment or county general funds.</td>
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<td>Alcohol and Drug Programs</td>
<td>The Administration’s budget proposes to reduce Drug Medi-Cal rates paid to counties and private providers, resulting in a savings of $2.5 million in 2007/08 plus $16.1 million in 2008/09. The Administration’s proposed budget includes reductions of $3.3 million in 2007/08 and $10 million in 2008/09 to Proposition 36 funding, but does not propose changes to the sentencing law requirements under the proposition. The funding level for Proposition 36 in the 2007/08 budget was $60 million. For the Substance Abuse Offender Treatment Program, commonly referred to as OTP, the Governor proposes a $667,000 current year reduction and a $2 million cut in 2008/09. OTP funding in 2007/08 was also $60 million. In total, $108 million would be available for Proposition 36 and OTP in 2008/09.</td>
<td>In Mariposa County, the Human Services Alcohol and Drug Program are an integral part of a multi-disciplinary approach towards the prevention, and treatment of alcohol and drug abuse in the Community. In FY03/04 Alcohol &amp; Drug State General Funds were cut 38%. At that time we tightened the programs as much as possible by cutting down on the number of people placed in residential treatment and reducing client incentives. Since that time there have been no increases in Alcohol and Drug program funds while we have seen increase in the cost of doing business. An additional 10% cut in State funds will reduce the number of people and further impact Drug Court services. Because of current funding the Human Services Alcohol and Drug program is unable to keep up with mandated functions. Further Reductions in Alcohol and Drug programs will result in an inability to meet all of the mandated functions in this program and reduce or eliminate programs for people in the community who are directed to take proven actions to change their lives.</td>
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In the coming days and weeks, we know that other counties will also develop impact analyses for the Governor, the State Administration and Legislature. We urge our State Associations and the Mariposa County lobbyist to press the Administration and the Legislature to listen to the concerns of local counties as we all work together to assess and articulate the local impacts of certain key budget proposals; describe the feasibility and practicality of proposed changes; and quantify ancillary impacts, such as federal funding implications. Mariposa County stands with California counties who are also in opposition to reductions in Human Services programs that will impact local community members who need these necessary services that preserve families, protect individuals, and promote financial independence.

Thank you for considering our perspective. Please feel free to contact us if you should you have any questions.

Sincerely,

Lyle Turpin
Board Chair

Cc: Advocation, Inc
Regional Council of Rural Counties
Senator Cogdill
Assemblyman Berryhill
January 23, 2008

To: The Honorable Patty Berg, Chair
   Assembly Budget Subcommittee No. 1
   Honorable Members
   Assembly Budget Subcommittee No. 1

From: Frank J. Mecca, Executive Director

Re: Proposed Termination of ISAWS Migration Project – CONCERNS
   [Item 5180: BBR Pages 616 and 617]

The County Welfare Directors Association of California (CWDA) is concerned that the Administration’s proposal to terminate the ISAWS Migration Project will not result in the savings estimated; will seriously impair 35 counties’ ability to accurately determine client benefits for the CalWORKs, Food Stamp, and Medi-Cal programs; and will require the Administration to immediately launch another process to replace or reprocure this system.

As you deliberate on the Governor’s budget proposals, we wanted to provide you with the following information on the impact of the proposed termination of the ISAWS Migration Project:

Background
All 58 counties currently use one of four Statewide Automated Welfare Systems (SAWS) to determine eligibility for the CalWORKs, Food Stamps, and Medi-Cal programs. In 2006, the counties, Administration, Legislature, and federal government agreed to reduce the number of systems from four to three. The ISAWS Migration Project was initiated to move the 35 counties using the oldest system (known as ISAWS – the Interim Statewide Automated Welfare System) to the C-IV system. At the conclusion of this project, the 35 counties will join the four existing C-IV counties, and the C-IV system will provide benefits to more than 1.8 million beneficiaries (27 percent of the statewide caseload) and support more than 13,000 workers.

Over $31 million already spent will be wasted if project scrapped
A total of $31.7 million ($14.3 million General Funds) has already been spent in this on-time, on-budget effort to move all 35 ISAWS counties to the C-IV system. It is unlikely that any significant portion of the work done to date could be used in a new or renewed effort initiated after the budget year. Current contracts will have been terminated. New procurements will need to be conducted. Preparatory work in the counties will need to be
reviewed and reinitiated as key staff, processes, and technology infrastructure may have changed.

Projected savings are unlikely to materialize
Terminating the ISAWS Migration Project is unlikely to result in the savings in the current year. Because contractual commitments have been made with multiple vendors to complete the ISAWS Migration Project, negotiations must occur with each in order to close out the project. All of these contracts contain clauses that require payments for certain costs in the event of an early termination. The vendors will thus need to be compensated for work on partially completed deliverables. Commitments for items such as leased facilities also will require final payments for early termination. We estimate that close-out costs will total $7.7 million ($3.5 million General Fund), virtually eliminating the Administration’s projected current year savings.

Moreover, savings for 2008-09 also appear to be overstated. State staff have acknowledged that there is a good possibility that the federal government will require repayment of all federal funds expended on the ISAWS Migration Project, totaling at least $13 million through project close-out (and possibly as much as $21.6 million).

Finally, the state will continue to incur costs for continuing to operate ISAWS. Completion of the ISAWS Migration Project would have allowed the Administration to discontinue the current ISAWS system in April 2010. Without this effort, ISAWS must be maintained at an annual cost of $37 million ($19 million General Fund). The current vendors are the only companies that are able to maintain the system. Both California protocols and federal requirements demand that the 35 ISAWS counties be moved to a system that allows for fair competition. Because of this, it is unlikely that the Federal government will continue to fund ISAWS after 2010. The result could be an annual loss of $18 million in federal funds, further diminishing any savings the state hopes to achieve.

ISAWS must be replaced; C-IV strategy is sound
The current ISAWS system is obsolete, cumbersome, and deficient. The Administration aptly summed up the situation in its own approval documents submitted to the federal government in 2003:
“...As a result, county dependence on the aging ISAWS system must be ended without delay. Migration is the quickest and least expensive approach to reduce the risks and the continued loss of worker productivity caused by required manual intervention to the system in the Counties.”

The Legislature relies on the SAWs automation systems to help implement numerous policy changes across the CalWORKs, Food Stamps, and Medi-Cal programs. Because the ISAWS system is built on obsolete technologies, the state is encountering increasing difficulty incorporating program changes in a timely manner. This undermines the Legislature’s policy direction as you contemplate programmatic changes in the three programs.
The C-IV system provides a modern web-based approach that will enable the 35 ISAWS counties to more efficiently and accurately determine CalWORKs, Food Stamp, and Medi-Cal eligibility. If they do not move to a more complete, up-to-date system, the 35 ISAWS counties will be increasingly unable to meet performance expectations leading to a risk of federal penalties for Food Stamp errors and failure to meet Work Force Participation rates. In addition, counties are unlikely to be able to meet state Medi-Cal performance measures, resulting in increased state expenditures for medical services.

Planning activities to continue ISAWS must begin in 2008-09 if the ISAWS Migration Project is terminated
According to the Administration, the current contract for ISAWS ends in 2012. Transitioning to a new system of this magnitude typically requires at least four years to complete. If the ISAWS Migration Project is terminated, the Administration will need to recommence planning in 2008-09. Ironically, this means that one project will be terminated only to immediately begin another strategy.

Summary
Given the General Fund expenditures that will be wasted, the unaccounted-for costs of terminating this project, and the likely loss of federal funding, the savings associated with this proposal appear to be significantly lower than estimated by the Administration. This fiscal impact, taken in conjunction with the significant technological and programmatic concerns with continuing to operate the outdated ISAWS system, places significant doubt on the viability of this proposal.

cc: Nicole Vasquez, Consultant, Assembly Budget Committee
   Julianne Huerta, Consultant, Assembly Republican Fiscal Office
   Ana Matosantos, Office of Governor Arnold Schwarzenegger
   Jennifer Kent, Health and Human Services Agency
   Pete Cervinka, Health and Human Services Agency
   Patricia Huston, Department of Social Services
   Richard Gillihan, Department of Finance
   Mike Wilkening, Department of Finance
   Carlos Ramos, Office of System Integration
   Debbie Leibrock, Office of the State Chief Information Officer
   Todd Bland, Legislative Analyst’s Office
   Kathy Curtis, Legislative Analyst’s Office
   Kelly Brooks, California State Association of Counties
   County Caucus