

Budget Documents
2000 - 2001 Final Budget

June 26, 2000

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

RECOMMENDED ADJUSTMENTS TO THE 2000-01 PROPOSED BUDGET TO REFLECT VARIOUS FINAL CHANGES (ALL DISTRICTS AFFECTED) (3- VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the attached final changes to the 2000-01 Proposed County Budget.

PURPOSE OF RECOMMENDED ACTION

The purpose of these Final Changes is to reflect changes in funding requirements and revenues since adoption of the Proposed Budget by your Board on April 18, 2000. The majority of these changes reflect additional revenue to more accurately and appropriately depict program requirements, as well as cost neutral internal reallocations.

JUSTIFICATION

Board approval of the adjustments is recommended to ensure that the Final Budget adopted by your Board reflects the most accurate and updated budget information available.

FISCAL IMPACT

The attached Final Changes will increase the total County budget by \$277.0 million, from \$15.0 billion, as reflected in the Proposed Budget, to \$15.3 billion. Budgeted positions will increase by 1,054.5 from 91,207.6 to 92,262.1; this is primarily due to increases in the following

departments: Sheriff (459.0), Parks and Recreation (197.0), Mental Health (188.9), Fire (150.0), and Health Services (135.7). These increases are partially offset by reductions in District Attorney - Family Support (net decrease of 137.0 positions primarily due to elimination of positions added in the Proposed Budget but not subsequently funded by the State), and Trial Court Operations (net decrease of 134.8 positions primarily due to transfer of Child Support Commissioner and Family Law Facilitator programs to the State Trial Court Operations Fund).

FINANCING

All changes are fully offset by program specific or other revenues, resulting in a balanced recommended budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

General Fund - Net County Cost (NCC)

The 2000-01 Final Recommended Budget reflects \$19.4 million in additional General Fund NCC financing. This net increase is primarily attributable to increased Motor Vehicle In-Lieu revenue and Deed Transfer Tax, and less-than-anticipated growth for In-Home Supportive Services caseload, offset by revised estimates reflecting reduced collections in delinquent property taxes. Key recommended uses for the increased funding include:

B Department of Children and Family Services: \$5.0 million for cost-of-living increases for Foster Care providers as local match to State funding included in the Governor=s May Revise; and \$326,000 for 35.0 critical human resources positions.

B Chief Administrative Office: \$500,000 for 22.0 positions to staff the Service Integration Branch as approved by your Board on May 16, 2000; and \$73,000 for 1.0 position to improve constituent access to County services via enhanced website applications, with particular emphasis on expanding information for unincorporated areas.

B Department of Parks and Recreation: \$1.3 million, augmenting the \$3.0 million placed in Provisional Financing Uses (PFU) in the Proposed Budget, to address the Department=s operating deficit consistent with audit findings from the Auditor-Controller (we are also recommending the \$3.0 million in PFU be transferred to the Department); and \$460,000 in one-time funding to implement the Family Safety Zone Pilot, including installation of emergency call boxes in County parks.

B Rent Expense: \$1.1 million in order to comply with modifications in Federal Office of Management and Budget claiming guidelines.

B Coroner: \$200,000 in one-time funding to begin phased replacement of aging forensic laboratory equipment.

B Provisional Financing Uses: \$10.0 million to be held in reserve for countywide needs.

Additionally, we are recommending reallocation of \$15.2 million of existing funding in PFU as follows:

Original Allocation

- Court consolidation impact \$ 6.5 million
- District Attorney (DA) augmentation of criminal operations (funded by Family Support NCC savings) \$ 8.7 million

Total \$15.2 million

Proposed Reallocation

- LAPD/Rampart investigation impact (DA, Public Defender [PD], Alternate Public Defender [APD]) \$11.3 million
- Justice related issues \$ 3.9 million

Total \$15.2 million

We are also recommending 3.0 new positions to allow for impanelment of a second Grand Jury to hear criminal indictments, fully offset by a reduction in appropriation for Trial Court Operations.

Revenue-Offset Funding

Major revenue-offset changes include the following:

B Public Social Services - Assistance: Increased funding of \$81.0 million related to an accounting adjustment in child support collections.

B Public Works: Increased funding of \$40.0 million for the Valencia Construction Fee District.

B Sheriff: \$36.7 million in additional funding and 459.0 positions, including \$6.8 million and 160.0 positions for increased services to State Trial Court Operations, \$5.3 million and 64.0 positions for increased contract city services, \$4.3 million and 41.0 positions for Board-approved COPS More grant activities, and \$4.0 million related to Los Angeles Regional Crime Information System grant funds.

B Mental Health: A \$22.5 million increase, including \$9.2 million and 24.0 positions for expanded information technology efforts, and \$8.7 million and 26.4 positions for Adult System of Care expansion.

B Internal Services: An appropriation increase of \$20.0 million for anticipated job order contracting.

B Fire: A net increase of \$9.5 million and 150.0 positions, including a \$12.7 million increase and 115.0 new positions related to annexation of Gardena, Inglewood, and Lynwood to the District, and a \$3.7 million reduction related to revised property tax estimates.

B District Attorney - Family Support: An appropriation decrease of \$12.8 million and elimination of 137.0 proposed positions to back out program growth increases which were reflected in the

Proposed Budget, but which the State ultimately did not fund in their final allocation consistent with the Governor=s May Revise.

The attached also reflects accounting adjustments to various capital projects.

Health Services

The Final Recommend Budget for the Department of Health Services (DHS) maintains County financing at a level consistent with the Proposed Budget. Program changes include:

B A net increase of \$303,000 for information systems contracts including 8.0 positions for the implementation of Compucare modules, offset by reductions in Program Management Plan funding due to revised project target dates;

B An increase of \$352,000 in funding Rancho Los Amigos National Rehabilitation Center overtime expenses related to preparation for the Joint Commission of the Accreditation of Hospitals Organization inspection scheduled during 2000-01;

B An increase of \$801,000 for transitional funding in Community Health Plan Out-of-Plan costs at Antelope Valley and Southwest Clusters, partially offset by reductions in the other County catchment areas;

B An increase of \$371,000 in funding for Ambulance Overflow and Antelope Valley Managed Care contracts; and

B An increase of \$272,000 and 2.0 licensed physicians for trauma services at Martin Luther King Jr./Drew Medical Center to comply with State regulations and the Los Angeles County Trauma Services Hospital Memorandum of Understanding.

The Final Recommend Budget reflects a \$41.0 million reduction in SB 1255 revenue for the current year as a result of California Medical Assistance Commission negotiations, concluded in May 2000. However, three major financing element changes included in the Governor=s May Revise significantly offset this reduction. The Medi-Cal inpatient contract rate was increased and the State Administrative Fee for the Disproportionate Share Hospital Program was reduced, which resulted in net benefits to the Department estimated at \$22.0 million and \$5.4 million, respectively. In addition, the Department=s share of sales tax revenue increased by \$8.2 million for both the current and budget years.

Also included are the following new revenue-offset changes:

B \$750,000 and 14.0 positions for the Multi-Disciplinary Family Inventory and Case Planning Teams project as part of the Long Term Family Self-Sufficiency Program; and

B \$5.8 million and 94.0 positions for the Children in Foster Care Program within Children=s Medical Services.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Selected program changes and impacts are referenced above; all changes are detailed in the attached.

Respectfully submitted,

DAVID E. JANSSEN
Chief Administrative Officer

DEJ:SMD
MKZ:bjs

Attachment

c: County Counsel
Auditor Controller