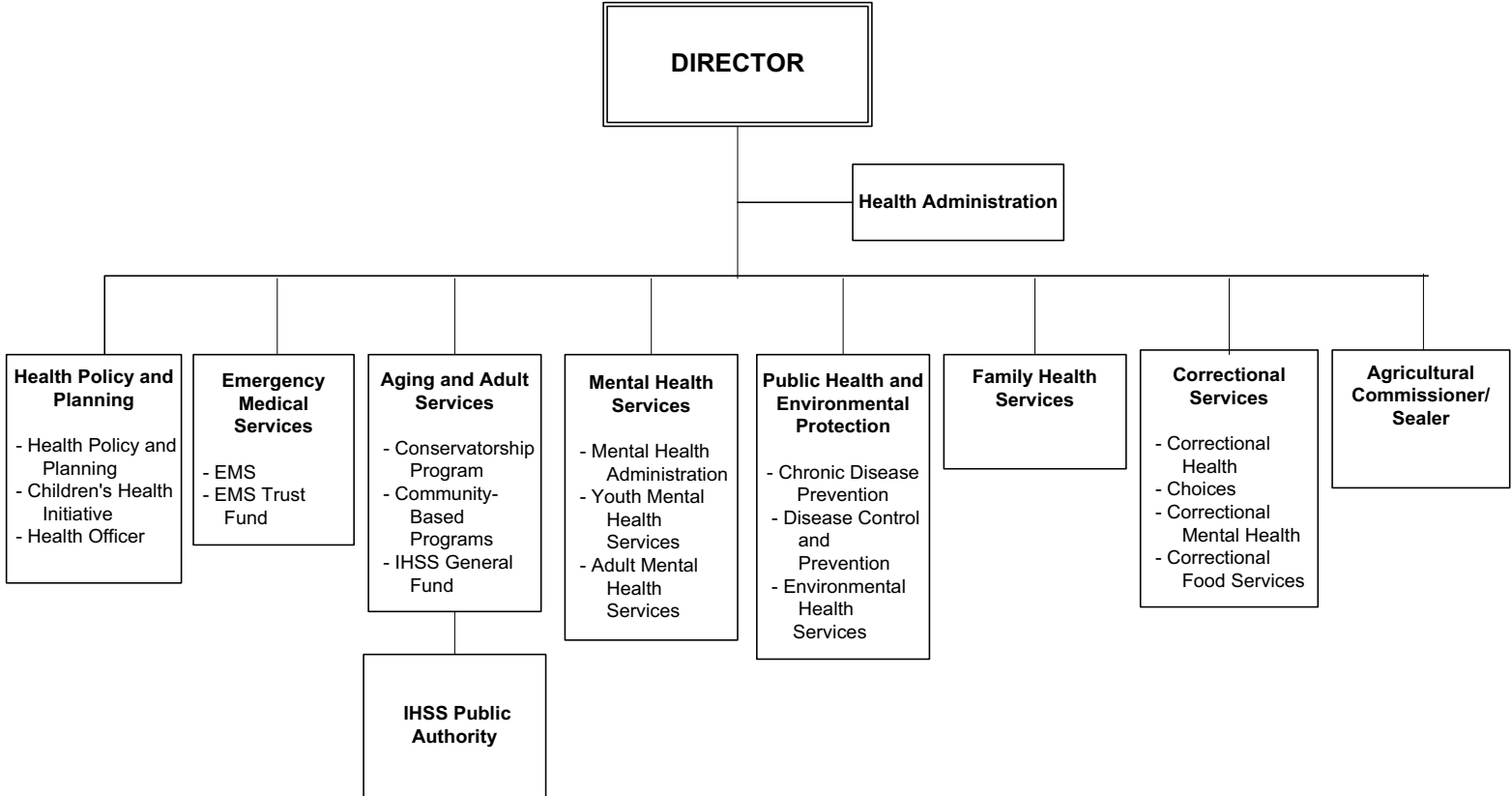
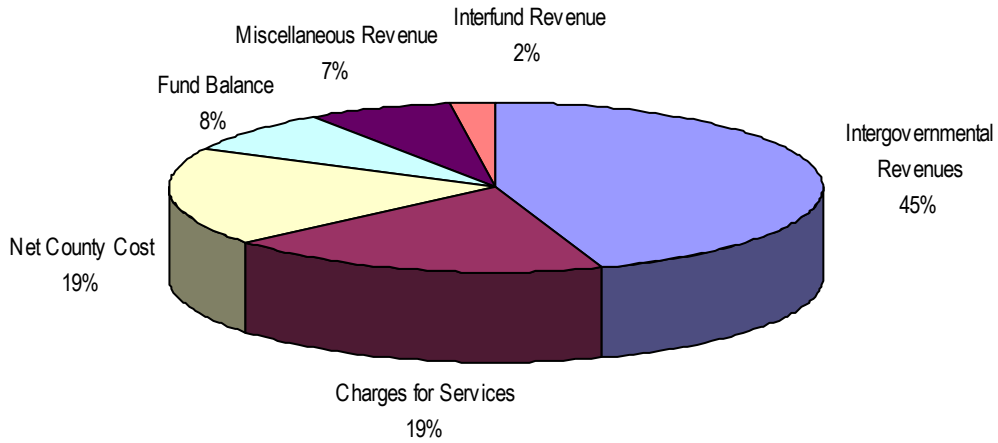


HEALTH DEPARTMENT

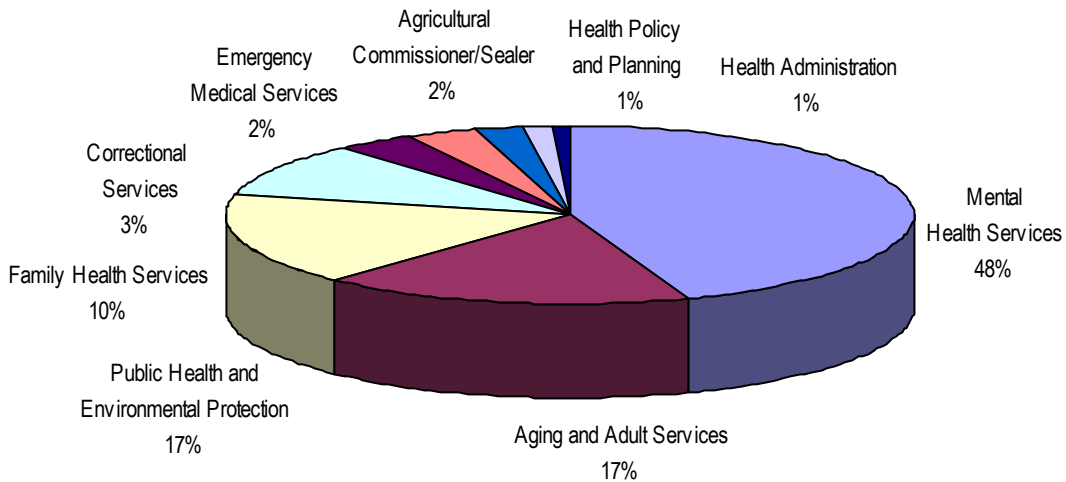


Health Department

FY 2007-08 Recommended Sources



FY 2007-08 Recommended Requirements



Department Locator

County

Health

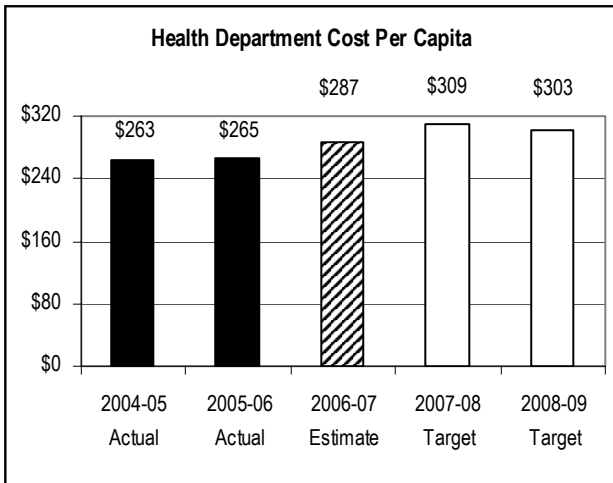
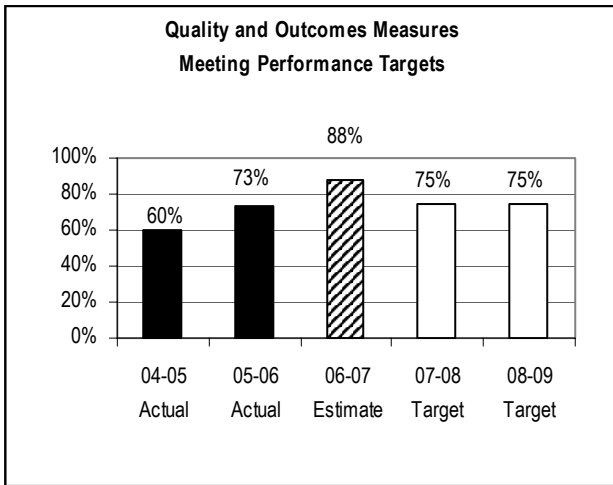
▷ **Health Department**

San Mateo Medical Center—Operating Budget

San Mateo Medical Center Capital Purchases

General Fund Contributions to Medical Center

Department Measures



Department Mission Statement

The mission of the Health Department is to build a healthy community and increase the longevity and quality of people’s lives by: protecting the public health of all residents and the environment; providing physical and mental healthcare and protective social services; ensuring emergency response; and engaging the community in key health issues.

Contributions to Shared Vision 2010 (Fiscal Years 2000 – 2006)

PEOPLE

Ensure Basic Health and Safety for All

- Communitywide Disaster Preparedness**

Continued focus, in partnership with various County departments and hospitals across the county, on communitywide disaster preparedness, integrating experiences from Severe Acute Respiratory Syndrome (SARS), West Nile Virus, and bioterrorism planning to develop a comprehensive Pandemic Flu Preparedness and Response Plan. Worked with a multi-sector group including County departments, schools, businesses, cities, faith- and community-based organizations, vulnerable populations, courts, law enforcement, transportation, and healthcare providers to prepare sector-specific Pandemic Influenza response plans. Conducted a countywide Pandemic Influenza exercise with the community to identify gaps in the plans. Disseminated 75,000 pieces of educational material titled *The Influenza Home Care Brochure and Guide to Flu Prevention: A Guide for Group Homes and Other Residential Settings* to staff, board and care facilities, and the public. Trained 55 senior Health Department managers in “Incident Command System” training designed to prepare supervisors to function efficiently and effectively during a natural disaster.

- Health Insurance/Coverage Expansion**

Continued statewide leadership on the issue of expanding access to health insurance through the Children’s Health Initiative (CHI), which aims to provide universal access to health insurance for children in San Mateo County. Results to date include enrollment of more than 6,000 children in the Healthy Kids program, which was created in 2003, as well as increased participation in other public health insurance programs for which children are eligible. Overall uninsurance rates for children have been reduced from 9.1% to 1.9% between 2003 and 2005. The County invests \$2.7 million per year to support this work.

Continued focus on addressing barriers to healthcare access by convening a Board of Supervisors-led Blue Ribbon Task Force on Adult Health Coverage Expansion, comprised of 40 public and private sector leaders to explore health coverage expansion for adults. The County has invested \$200,000 to support planning and research, with an additional \$125,000 secured from foundation grants.

Realize the Potential of Our Diverse Population

- Mental Health Services Act**

Received State approval for the Mental Health Services Act (MHSA, “Proposition 63”) plan focused on promoting wellness, resilience, and equity in expanding mental health services to unserved and underserved seriously mentally ill adults, older adults, and seriously emotionally disturbed children and youth. Implemented key outreach and services components including: Pathways mental health court and related services program; an

initiative to improve services to individuals/families with co-occurring mental health and substance disorders; intensive wraparound services for children, youth, adults, and older/medically fragile adults; expansion of primary care-based services; and hiring of linguistically and culturally diverse community workers, both consumers and family members.

Secured \$4.5 million in State funding and leveraged an additional \$2 million in other revenues to fund these efforts in FY 2006-07.

- **Healthy Communities San Mateo**

Continued community-engaged progress on *Healthy Communities San Mateo: A Community Health Improvement Initiative to Eliminate Health Disparities*, which was launched with Board of Supervisor leadership by the Health Disparities Summit in May 2004. The three areas of initial focus are prevention of childhood obesity, substance abuse prevention, and linguistic access to healthcare. Community planning and formative research in these areas have led to broad-based agreement on, Board of Supervisors adoption of, and diverse partner participation in initiating key actions necessary to address root causes of health disparities.

Initiated a study of the aging of the San Mateo County population in partnership with the Department of Housing, SAMTrans, San Mateo Medical Center (SMMC), and the Health Plan of San Mateo (HPSM) that will create a dynamic planning and projections model. Invested \$300,000 to create this model and planning tool.

PLACE

Offer a Full Range of Housing Choices

- **Healthier Outcomes through Multidisciplinary Engagement (HOME) Team Initiative**

Began the HOME Team Initiative in Fall 2006 as a partnership involving the San Mateo Medical Center, Human Services Agency (HSA), Health Plan of San Mateo, Health Department, and Silicon Valley Community Foundation. Secured a \$100,000 grant to support this effort aimed at improved health outcomes and reduced costs for clients who frequently rely on the emergency room for care. Invested a total of \$266,578 from Health and HSA resources to launch a 4.0 FTE multidisciplinary team focused on this population. This effort builds on recommendations outlined in the Housing Our People Effectively (HOPE) 10-year plan to end homelessness adopted by the Board of Supervisors in 2006.

PARTNERSHIPS

Responsive, Effective and Collaborative Government

- **San Mateo Mental Health Assessment and Response Team (SMART) Initiative**

Partnered with law enforcement agencies and multiple County departments to create and begin the SMART initiative involving a multidisciplinary approach to respond to “behavioral”

emergencies in the field at the request of law enforcement or mental health staff. An FY 2005-06 investment of \$1.1 million over three years was made to launch this effort.

- **Strategic Plan for Prenatal to Three Initiative**

Engaged 80 community leaders in the fields of early childhood development, health, literacy, and education in creating a five-year strategic plan for the Prenatal to Three Initiative. Implementation of this plan includes a strengthened partnership with the First 5 San Mateo County Commission in coordinating and overseeing major systems integration issues affecting the health and well-being of children age zero to five.

- **Integration of New Health Department Functions**

Engaged leaders from agriculture, business, and the coastside community to effectively and holistically integrate public health functions related to pesticide control, food safety, and weights and measures.

- **Health Client Data Store**

Completed the first iteration in development of a new, integrated data warehouse that will enable uniform reporting and program monitoring across multiple Health Department programs. An investment of \$2,070,000 to develop this system is funded through Health Department reserves. This is a key element of the Department’s Information Technology Strategic Plan (ITSP), which was approved by the Board of Supervisors in 2005.

Major Accomplishments in FY 2006-07

Ensure Basic Health and Safety for All

- Expanded services to emotionally disturbed youth and mentally ill adults, in collaboration with justice system partners including: Pathways Mental Health Court, an intensive wraparound program for women offenders initiated through Mentally Ill Offender Crime Reduction (MIOCR) grant funding; a two-week “Crisis Intervention Training” for local law enforcement; and expanded mental health services at the new Youth Services Center, including gender-focused services at the Margaret J. Kemp Girls Camp.
- Implemented the first year of a three-year initiative, in collaboration with the HSA Alcohol and Other Drugs (AOD) program to improve services to individuals and families impacted by co-occurring mental health and substance abuse—estimated at 60% of mental health clients and up to 40% of AOD clients.
- Engaged key sectors affected by the lack of affordable health coverage options for adults in San Mateo County to contribute to a proposal to expand health coverage.

Realize the Potential of Our Diverse Population

- Implemented key MHSAs initiatives related to community engagement and outreach to diverse and underserved populations, including contracting with community-based organizations to provide outreach and linkage of underserved communities in northern San Mateo County and East Palo Alto.
- With a broad-based group of community partners, began implementation of key steps outlined in *Blueprint for Prevention*

of *Childhood Obesity* that was adopted by the Board of Supervisors in April 2006. Presented *Roadmap for Alcohol, Tobacco, and Other Drug (ATOD) Prevention* to the Board of Supervisors in June 2006 and extended learnings from that effort to the AOD Strategic Plan adopted by the Board of Supervisors in November 2006. Secured Board of Supervisors acceptance of the baseline study of linguistic access to healthcare in San Mateo County in October 2006.

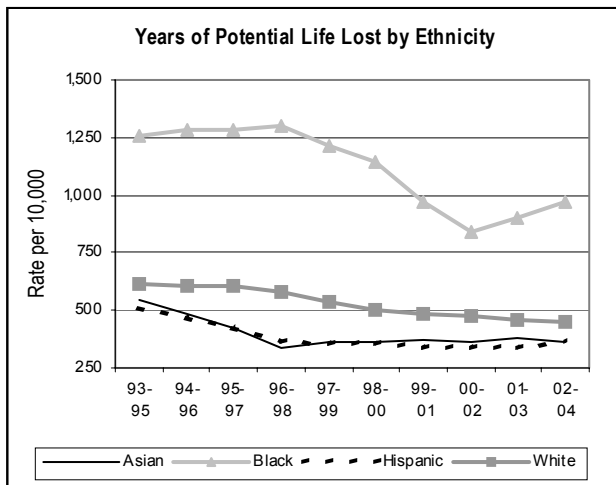
Responsive, Effective and Collaborative Government

- In its first full year, SMART responded to 1,515 calls for EMS responses for behavioral emergencies. Of these, 318 or 21% were not transported to a hospital for psychiatric emergency services, which are more restrictive for the client and expensive for the community. The SMART team also completed a training video for law enforcement personnel that will be shown to all officers in the county to improve understanding of SMART and promote its use.

Major Issues to be Addressed

- **Poverty and Disparities**—the Department must continue to thoughtfully address pressing long-term health issues that are rooted in communities and reflect many underlying factors linked with poverty and disparities, while also addressing day-to-day imperatives of ensuring basic health and safety and assisting vulnerable people to achieve a better quality of life.
- **Chronic Disease**—it is recognized that chronic diseases, including mental illness and addiction to alcohol, tobacco, and other drugs, take an enormous toll on the community; categorical funding and resulting programmatic limitations make it challenging to address such issues with a public health perspective targeting behavior and community change.
- **Disaster Preparedness and Threat of Pandemic Influenza**—international and national research continues to point to the need for substantial attention toward activities related to preparing local government and the community for the possibility of the spread of Avian Influenza. These efforts will address basic individual/family health and safety, as well as potential interruptions of vital government and business functions that may follow an outbreak in the community. These efforts will also provide an opportunity to address implications for the threat of other man-made and natural disasters that require continued attention.
- **Increasing Healthcare Costs**—the federal government projects that healthcare costs will increase by an average of more than 7% per year until 2015, with even greater increases expected for public healthcare spending. These cost pressures will strain existing systems as public funding sources are expected to remain relatively flat.
- **Healthcare Access Barriers**—increasing healthcare costs, the size and composition of the primary care workforce, and changing population demographics have resulted in barriers to healthcare access for children and adults, both locally and beyond. Sustained improvement in population health is hampered by these challenges.
- **Workforce Capacity and Diversity**—the Department must continue to invest in a workforce to align with the diversity of the communities being served and recognize the need for differing health approaches for the county's diverse communities.
- **Major Demographic Shifts**—large changes are anticipated as the population ages. It is necessary to think strategically regarding how best to anticipate and plan for needed systems changes.
- **Anticipated Reforms in the Criminal Justice System**—state and local reforms and actions targeting the criminal justice system will have major implications for healthcare and behavioral healthcare systems, costs, and workforce capacity. Local efforts, such as the expansion of the *Choices* substance abuse treatment program to promote successful reentry of inmates and the MIOCR program for women offenders, begin to anticipate these challenges.
- **Community Capacity**—there is a need to be mindful of the community's capacity to address priority health issues and how best to partner with the community in promoting health and well-being, including the community's level of preparedness for a disaster.
- **Data-Informed Practices**—the Department will be challenged to keep up with the vast amount of emergent "best practice" and "evidence-based" research on health issues and incorporate the findings most relevant for the community, its assets, and its needs.
- **Critical Infrastructure**—there is a need to invest in critical infrastructure (space, information technology, seismically sound buildings) necessary to support the many programs and initiatives for which the Health Department is responsible.
- **Public Healthcare Policy**—state and federal policy-makers must continually be informed of County efforts to innovate and pilot community-based solutions for building a healthy community. As the spectrum of public health expands to include elements of land use/planning and sustainable agriculture, new public policy approaches continue to emerge.

The following graph illustrates how several of these issues—such as poverty and disparities, chronic disease, and public healthcare policy—influence the important community health outcomes of life expectancy and quality of life. Years of Potential Life Lost (YPLL) is an epidemiological indicator for the aggregate impact of early deaths on a population that aims to measure the years of life cut short relative to the average life expectancy of the population. Considering the age of death, in addition to the event of death itself, enables a measure of quality of life lost through premature death in a population. The underlying assumption for YPLL is that the more premature a death (i.e., the younger a person is when they die), the greater the loss of life. The following graph depicts three-year moving averages of YPLL between 1995 and 2004.



Key Department Initiatives

1. Healthy Communities San Mateo

Major Issues to be Addressed:

- A growing body of research shows that many U.S. population groups—including racial and ethnic minority groups such as African Americans, Hispanics/Latinos, Asian Americans, American Indians, Alaska Natives, and Pacific Islanders, as well as some geographic and/or socioeconomic groups such as low-income and rural populations—experience a disproportionately high burden of disease and mortality.
- These health disparities are present in San Mateo County, and reducing them will require concerted action across a wide range of issues and sectors.

Alignment to Shared Vision:

- Ensure Basic Health and Safety for All
- Realize the Potential of Our Diverse Population

Goals:

- Reduce health disparities
- Engage the community in addressing priority health issues
- Expand access to healthcare

Objectives:

- By 2010, reduce levels of childhood overweight from 25% to 20%
- By 2010, reduce proportion of youth using alcohol, tobacco, and other drugs from 26% to 21%
- Improve linguistic access to healthcare services by developing an action plan to address key findings from the Department's Linguistic Access to Health Services Assessment
- Improve access to healthcare for adults under 400% of Federal Poverty Level who lack health insurance

Major Milestones:

- Continue community engagement in communitywide plans to prevent childhood obesity and substance abuse
- Identify key action steps necessary for the Health Department to address findings of the Linguistic Access Assessment
- Select recommendations for implementation from internal assessment to promote youth development
- Complete development of a proposal for Adult Health Coverage Expansion for Board of Supervisors consideration
- Complete development of a model capable of identifying policy and program changes necessitated by the aging of the population

Partners:

- Human Services Agency
- San Mateo Medical Center
- Health Plan of San Mateo
- First 5 of San Mateo County
- Department of Housing
- Parks Department
- Planning Department
- SAMTrans
- County Office of Education

FY 2007-08 Budget Impact:

- In addition to the five FTE staff in Health Policy and Planning (HPP) who will continue to lead and coordinate these efforts, existing resources across Health Department divisions are being redirected toward this initiative. This work is being conducted in partnership with several County and community organizations.

2. Chronic Disease and Well-Being

Major Issues to be Addressed:

- According to the Centers for Disease Control and Prevention (CDC), chronic diseases today account for 70% of the deaths of all Americans and 75% of this country's annual healthcare costs. Unless steps are taken to deal effectively with chronic diseases, the nation is headed for serious financial and quality-of-life challenges.
- The growing impact of chronic disease, including issues related to obesity, mental illness, and addiction to alcohol, tobacco, and other drugs, is seen within the Health Department's programs and in planning for the needs of an aging population.

Alignment to Shared Vision:

- Ensure Basic Health and Safety for All

Goals:

- Strengthen supports to the most vulnerable populations and promote wellness, resilience, and adoption of healthy

behavior to address priority populations with chronic diseases within the county

- Work with community partners, including consumers, to broaden and deepen community knowledge and ability to prevent and manage chronic disease

Objectives:

- Increase the number of clients served in the mental health system from 11,154 in FY 2004-05 to 11,426 in FY 2005-06 and 12,794 in FY 2007-08
- By 2013, lower the countywide heart disease death rate (unadjusted) from 185 per 100,000 to 130 per 100,000 population, as measured through the *Healthy People 2020* report, through an effective and comprehensive chronic disease prevention approach that will include the elimination of artificial trans fatty acids in foods distributed in the county
- Increase the level of physical activity and reduce use of tobacco among children and adults
- Reduce binge drinking among teens and adults

Major Milestones:

- Plan and begin implementation of additional components of MHSA, including: development and acquisition of State approval for at least one MHSA housing project as a key component of HOPE implementation; and development and initiation of Prevention and Early Intervention and Workforce Development initiatives
- Achieve progress in action plans developed to address childhood obesity and prevent chronic disease among adults
- Work in partnership with HSA to reduce the impact of substance use on the health of the community by: selecting priority recommendations from the AOD Strategic Plan to incorporate in Health Department work with clients who have co-occurring disorders and other populations facing challenges with substances; and initiating, with AOD, year two of a two-and-one-half- year system capacity development process to effectively identify, assess, and treat individuals with co-occurring mental health and substance use disorders

Partners:

- Human Services Agency
- Probation Department
- San Mateo Medical Center
- Sheriff's Office and law enforcement agencies
- Health Plan of San Mateo

FY 2007-08 Budget Impact:

- Existing resources within the Mental Health division have been redirected to lead MHSA implementation, with a total of \$7.5 million in Proposition 63 and other leveraged resources targeted to support new and expanded services. Additional existing resources are invested from a variety of Health Department, County, and community partners.

3. Community Capacity

Major Issues to be Addressed:

- Research and practice have affirmed the important roles that communities play in shaping health outcomes through family and peer supports, social and cultural norms, and other factors that are rooted in communities.
- Community-based organizations are key Department partners in promoting health, but their resources are often stretched.
- Community preparedness will have to be strengthened to respond to the projected impact of a major disaster.

Alignment to Shared Vision:

- Responsive, Effective and Collaborative Government

Goals:

- Strengthen community capacity to partner with the Health Department on priority health issues

Objectives:

- Follow-up on recommendations heard from communities during MHSA planning through focused efforts to improve access to mental health services, initially focusing on partnerships with at least two ethnic communities in the county
- Build community awareness of, and response capacity to, man-made or natural disasters
- Incorporate a community capacity building perspective in work with community-based contracting partners

Major Milestones:

- Implement community access and engagement initiatives in two areas of the county (Daly City/South San Francisco and East Palo Alto/Menlo Park) to improve access to mental health services for underserved ethnic communities within the county
- Assist community partners in refining Pandemic Influenza plans and developing the institutional learning required to make these plans effective
- In partnership with the County Manager's Office, HSA, and Probation, implement plans for the distribution of cost-of-living increases to community-based organizations and other contracted providers as approved by the Board of Supervisors.
- With HSA and Probation partners, design a strategy and develop a workplan for implementation of measurable performance indicators among contracted provider organizations receiving cost-of-living increases
- Build on Department work in analyzing geography and school links represented by contracts for services targeting children and families by linking findings and follow-up recommendations with the work of other County departments

Partners:

- Human Services Agency
- Probation
- First 5 Commission
- Human Resources (County Nonprofit Liaison)
- County Manager's Office

FY 2007-08 Budget Impact:

- Existing Health Department resources are being redirected to lead this work, with additional resources invested from a variety of County and community partners.

Family Health Services

- Maintain an infant breastfeeding rate over 75%

Correctional Services

- Increase community and funding support for therapeutic community, jail-based programs
- Provide nutritional consultations and education services to 680 customers

Other Significant Objectives by Program

The Health Department includes the following programs:

- Health Administration
- Health Policy and Planning
- Emergency Medical Services
- Aging and Adult Services
- Mental Health Services
- Public Health and Environmental Protection
- Family Health Services
- Correctional Services
- Agricultural Commissioner/Sealer

The following program objectives will significantly contribute to Departmental success (additional program-level objectives are included in individual Program Plans):

Health Policy and Planning

- Reduce community health disparities in partnership with County departments and the community
- Improve access to healthcare

Emergency Medical Services

- Assist local hospitals to expand staffing and bed capacity for Pandemic Influenza

Aging and Adult Services

- Enhance the Older Adult System of Care
- Expand program involvement of seniors and adults with disabilities

Mental Health Services

- Maximize the efficiency and cost effectiveness of youth and adult services

Public Health and Environmental Protection

- Continue Pandemic Influenza planning and preparation
- Develop a comprehensive strategic plan to prevent chronic diseases and intentional/unintentional injuries
- Achieve three-year outcomes developed by the community for the Tobacco Prevention Program

Health Department (5000D) ALL FUNDS

FY 2007-08 and 2008-09 Budget Unit Summary

	Actual 2004-05	Actual 2005-06	Revised 2006-07	Recommended 2007-08	Change 2007-08	Recommended 2008-09
SOURCES						
Licenses, Permits and Franchises	1,699,839	1,767,595	1,887,624	2,009,461	121,837	2,048,491
Fines, Forfeitures and Penalties	1,464,941	1,569,845	1,811,941	2,807,656	995,715	2,845,962
Use of Money and Property	376,089	504,105	615,000	624,000	9,000	624,000
Intergovernmental Revenues	94,251,107	97,524,960	108,445,335	109,072,834	627,499	108,958,123
Charges for Services	36,155,947	37,427,140	42,232,650	46,606,565	4,373,915	47,390,707
Interfund Revenue	5,570,933	5,804,818	5,653,747	5,687,509	33,762	5,687,509
Miscellaneous Revenue	10,359,615	10,270,840	10,608,869	11,819,378	1,210,509	11,816,959
Other Financing Sources	146,096	139,451	116,795	76,795	(40,000)	76,795
Total Revenue	150,024,566	155,008,754	171,371,961	178,704,198	7,332,237	179,448,546
Fund Balance	11,645,693	16,258,333	20,556,261	19,887,914	(668,347)	20,280,405
TOTAL SOURCES	161,670,259	171,267,087	191,928,222	198,592,112	6,663,890	199,728,951
REQUIREMENTS						
Salaries and Benefits	83,948,150	89,741,594	106,321,476	115,499,211	9,177,735	119,558,794
Services and Supplies	73,004,539	78,191,977	90,568,526	89,052,341	(1,516,185)	89,378,155
Other Charges	37,298,848	36,500,071	41,586,322	46,538,818	4,952,496	46,479,077
Fixed Assets	159,928	414,247	465,765	125,000	(340,765)	45,000
Other Financing Uses	180,857	115,097	239,397	200,000	(39,397)	
Gross Appropriations	194,592,322	204,962,987	239,181,486	251,415,370	12,233,884	255,461,026
Intrafund Transfers	(17,610,126)	(21,234,389)	(23,622,940)	(23,871,703)	(248,763)	(24,164,253)
Net Appropriations	176,982,196	183,728,597	215,558,546	227,543,667	11,985,121	231,296,773
Contingencies/Dept Reserves	6,864,055	8,986,256	11,450,874	11,544,975	94,101	11,416,062
Non-General Fund Reserves	4,298,834	4,650,886	4,670,268	5,062,759	392,491	5,455,250
TOTAL REQUIREMENTS	188,145,085	197,365,739	231,679,688	244,151,401	12,471,713	248,168,085
NET COUNTY COST	26,474,825	26,098,652	39,751,466	45,559,289	5,807,823	48,439,134
AUTHORIZED POSITIONS						
Salary Resolution	921.0	965.0	1,036.0	1,056.0	20.0	1,056.0
Funded FTE	871.7	908.0	974.8	1,010.1	35.3	1,010.1

FY 2007-08 Budget Overview

TOTAL SOURCES

Total Sources increased by \$6,663,890 or 3.5% from the FY 2006-07 Revised to the FY 2007-08 Recommended Budget due to the following changes:

Licenses, Permits and Franchises

There is an increase of \$121,837 in this funding source due to projected increase in Environmental Health's well and septic permit fee collections and Agricultural Commission/Sealer's device registration fees.

Fines, Fees and Forfeitures

There is an increase of \$995,715 in this funding source. The allocation from the Courts for EMS fines is expected to increase by \$983,005 based on current trends. The Board of Supervisors has approved levying an additional penalty to be used for designated EMS-related purposes, in accordance with Senate Bill 1773. The balance of the increase in this account is in Environmental Health.

Use of Money and Property

There is an increase of \$9,000 in this funding source due to expected higher interest allocation for Maddy Fund revenues.

Intergovernmental Revenues

There is a net increase of \$627,499 in this funding source. Revenue increases totaling \$6,091,133 include: \$3,073,508 in Mental Health Services Act (MHSA) and other State Mental Health revenue; an additional \$1,795,856 in Public Health and Family Health revenues due primarily to increased caseload growth and allocations for California Children's Services (CCS), Child Health Disability and Prevention (CHDP), Maternal Child Health, Black Infant Health, and the Women, Infants and Children Nutrition Program (WIC); Aging and Adult Services and Public Authority increases of \$1,415,868 reflecting higher Realignment Sales Tax allocation and additional Public Authority federal IHSS revenues. Partially offsetting these increases are projected revenue reductions that total \$5,550,804, including: decreases of \$411,781 in State Mental Health Medi-Cal pharmacy revenue with implementation of the Medicare Part D program; a net decrease of approximately \$2,090,499 in Realignment Sales Tax; and an additional \$3,155,000 in reductions that consist of decreases in allocations and reimbursements from other government agencies due to conclusion of grants or reductions in allocations.

Charges for Services

There is an increase of \$4,373,915 in this funding source. Mental Health revenues are increased by \$3,537,000 through leveraging of MHSA funds, and a projected increase in Medi-Cal Federal Financial Participation (FFP) due to increased utilization review and quality improvement as well as improved claiming processes. Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) revenues are estimated to increase by \$653,000. Environmental Health fees are projected to increase by \$400,500. Public Health's revenues from SMMC for the Edison Clinic have been reduced by \$400,000 based on current year projections.

Interfund Revenue

There is an increase of \$33,762 in this funding source, primarily from the allocation of commissary sales in Correctional Services.

Miscellaneous Revenue

There is an increase of \$1,210,509 in this funding source. Of this amount: \$809,234 results from increased Children's Health Initiative (CHI) funding from foundations and other organizations; \$221,894 is from Tobacco Settlement revenue and increase in oversight; and the balance is due to penalties projected to be paid by the EMS contractor for failures in meeting response time targets.

Other Financing Sources

There is a decrease of \$40,000 in this funding source due to the elimination of the Half-Cent Transportation funds for client transportation programs.

Fund Balance

There is a decrease of \$668,347 in this funding source. The Agency's Fund Balance is estimated to decrease 3.2% based on estimated year end closing.

TOTAL REQUIREMENTS

Total Requirements increased by \$12,471,713 or 5.4% from the FY 2006-07 Revised to the FY 2007-08 Recommended Budget due to the following changes:

Salaries and Benefits

There is an increase of \$9,177,735 in this expenditure category. Negotiated labor increases, merit increases, and the annualized portion of mid-year Salary Ordinance Amendments account for \$7,923,875 or 87% of the increase. A net decrease of \$553,129 including reductions in

Extra Help and other pay adjustments has been made in various accounts in this expenditure category. A net increase of \$1,806,989 has also been made to meet expanded services for FY 2007-08, including an additional 20 positions in the Health Department.

Services and Supplies

There is a net decrease of \$1,516,185 in this expenditure category. A decrease of \$4,254,797 includes: a decrease of \$1,644,479 in software license expense for the Mental Health IT system and drug costs related to the implementation of Medicare Part D; a decrease of \$727,000 in Public Health and Family Health Services resulting from the completion of the Children's Report and Obesity initiatives, laboratory testing menu, and new lab IT system; a \$636,000 decrease in Environmental Health for completion of various projects including completion of one-time replacement of personal computer across the division and transfer of the management of Belmont-San Carlos Fire contract for emergency response to the Sheriff's Office; and the elimination of \$1,012,625 for in-house charges due to Agricultural Commissioner/Sealer combining its three previous OBM program units into one. Partially offsetting those reductions are cost increases totaling \$2,738,612, including: a \$1,909,338 increase in Children's Health Initiative's insurance premium and other operating costs; \$440,000 related to Mental Health's relocation to a new building; increased operating expenses in Correctional Services, primarily a reflection of the increasing inmate population; and an increase of \$348,000 for payments to hospitals, trauma services, and other service providers by the EMS Trust Fund.

Other Charges

There is an increase of \$4,952,496 in this expenditure category. The Mental Health budget includes increase charges of \$1,763,041 for new technology projects and automation expense, \$418,915 for clients placed at non-county institutions, and \$701,258 for office relocation costs; Aging and Adult Services has increases of \$1,071,749 for ISD automation charges and other County-related charges; Family Health Services' budget is increased by \$1,042,677 for office relocation and increased rental charges; and Health Administration and Correctional Services have a total increase of \$245,895 in ISD automation charges. Partially offsetting these increases is a reduction of \$309,85 in the County's share of Independent Providers costs in the Public Authority, due to the IHSS waiver.

Fixed Assets

There is a decrease of \$340,765 in this expenditure category due to elimination of completed projects, mainly in Public Health.

Other Financing Uses

There is a decrease of \$39,397 in this expenditure category due to completion of a capital improvement project upgrade of paving at Pine Street Warehouse for Household Hazardous Waste collection operations of Environmental Health.

Intrafund Transfers

There is an increase of \$248,763 in this expenditure category due to increases of \$500,000 in Mental Health charges to the Human Services Agency for the Wraparound Program; and a reduction of \$678,000 in charges by Health Administration, Correctional Services, and Aging and Adult Services to both Health operating divisions and other County General Fund budget units. The Agricultural Commissioner/Sealer has combined its operation into one OBM unit, resulting in the elimination of \$972,637 in In-house charges.

Contingencies/Departmental Reserves

There is an increase of \$486,592 in this expenditure category. The balance in General Fund Reserves represents 5.1% of Net Appropriations, significantly exceeding County policy. The General Fund Reserve will cover potential costs for audit adjustments, net equity required for the Managed Care Plan and housing projects in Mental Health, the hand-held inspection equipment project in Environmental Health, a reserve against Bioterrorism costs in Public Health, and reserves for the Department-wide Information Technology Strategic Plan (ITSP). Non-General Fund Reserves have been increased by \$392,491 to \$5,062,759. This reserve consists of \$1,672,539 for the EMS Trust Fund and \$3,390,220 for the In-Home Supportive Services Public Authority.

NET COUNTY COST

There is an increase of \$5,807,823 or 14.4% in this Department/Agency's General Fund allocation. This increase is due primarily to merit increases, annualization of mid-year position changes, negotiated labor increases, the Adult Health Care Coverage Expansion project, Choices Reentry, and 3% cost-of-living increases to community-based organizations as approved by the Board of Supervisors.

FY 2008-09 Budget Overview

TOTAL SOURCES

Total Sources increased by \$1,136,839 or 0.6% from the FY 2007-08 to the FY 2008-09 Recommended Budget due to the following changes:

Licenses, Permits and Franchises

There is an increase of \$39,030 in this funding source due to increased Environmental Health well and septic permit fee collections.

Fines, Fees and Forfeitures

There is an increase of \$38,306 in this funding source for Court fines allocated to the Emergency Medical Services Trust Fund.

Intergovernmental Revenues

There is a decrease of \$114,711 in this funding source due to a decrease of \$326,951 in Animal Control contributions from the cities, an estimated decrease of \$12,696 Realignment sales tax revenue in Aging and Adult Services, and increases of \$224,936 for meal rates and federal Welfare revenue for the Healthier Outcomes Through Multidisciplinary Engagement (HOME) team.

Charges for Services

There is an increase of \$784,142 in this funding source. Projected increases include: \$282,096 in Mental Health Medi-Cal Federal Financial Participation (FFP) due to increased utilization review and quality improvement, as well as improved claiming processes; \$75,000 in Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM) revenues; \$135,400 in Environmental Health fees; \$251,690 in Public Health Laboratory services, vital statistics, and other fees; and \$33,500 in Aging and Adult Services Public Guardian fees to meet costs associated with negotiated and merit increases.

Miscellaneous Revenue

There is a decrease of \$2,419 in this funding source reflecting a reduction of \$60,000 in First 5 funding to Public Health, which is offset by additional revenues from other grants and miscellaneous fees

Fund Balance

There is a decrease of \$392,491 in this funding source based on estimated year-end closings.

TOTAL REQUIREMENTS

Total Requirements increased by \$4,016,684 or 1.6% from the FY 2007-08 to the FY 2008-09 Recommended Budget due to the following changes:

Salaries and Benefits

There is an increase of \$4,059,583 in this expenditure category for negotiated labor increases, inclusion of merit increases, and the full year cost of new positions added in FY 2007-08.

Services and Supplies

There is an increase of \$325,814 in this expenditure category. In FY 2007-08, Family Health Services is being separated from Public Health as a separate budget unit. In order to meet their operating targets, Health Administration decreased its accounting and administrative charges for both divisions; this one-time reduction of \$558,000 has been restored as an increase in Services and Supplies. An increase of \$113,065 in the Household Hazardous Waste program has been fully funded through reductions in other appropriations and the use of Reserves. There has been a decrease of \$326,951 in the Peninsula Humane Society contract.

Other Charges

There is a decrease of \$59,741 in this expenditure category due to reduced grant funding from First 5 Commission.

Fixed Assets

There is a decrease of \$80,000 in this expenditure category due to the elimination of a prior year one-time fixed asset purchase.

Other Financing Uses

There is a decrease of \$200,000 in this expenditure category due to the elimination of a prior year one-time generator purchase in Public Health.

Intrafund Transfers

There is an increase of \$292,550 in this expenditure category due to increases in charges from Health Administration and Correctional Food Services to the Health operating divisions and other County departments.

Contingencies/Departmental Reserves

There is an increase of \$263,578 in this expenditure category reflecting one-time use of Reserves for appropriations to meet Public Health and Environmental Health NCC targets, offset by an increase of \$392,491 in Non-General Fund Reserves for the EMS Trust Fund and IHSS Public Authority Funds.

NET COUNTY COST

There is an increase of \$2,879,845 or 6.3% in this Department/Agency's General Fund allocation. This increase is due primarily to negotiated labor increases, inclusion of merit increases, and annualization of new positions added in FY 2007-08.