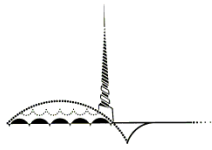


Marin County Board of Supervisors

Budget Workshop

FY 2010-11 Proposed Budget

May 18, 2010

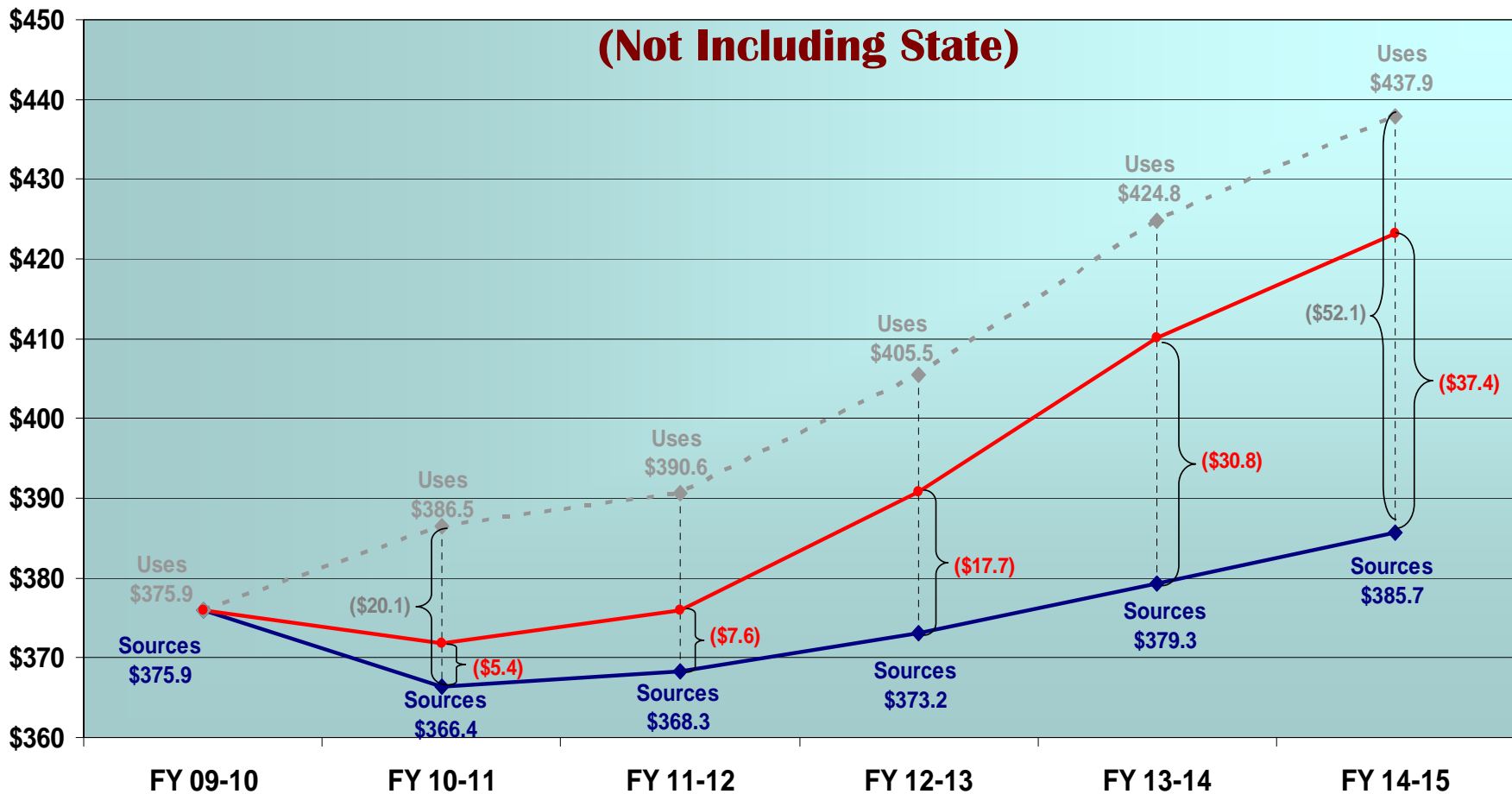


Overview

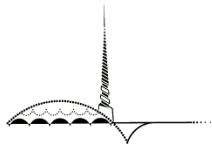
1. Status report on FY 2010-11 Proposed Budget and potential State Budget impacts
2. Review next round of recommended budget reductions, Voluntary Separation Incentive Program (VSIP) and other policy issues
3. Opportunity for public input
4. Receive feedback regarding department performance plans, and policy direction prior to submission of Proposed Budget in June
5. Consider approval of VSIP, and next steps regarding Reduction in Force (RIF) noticing

Updated 5-Year General Fund Operating Projection

(\$5.4 Million Remaining Gap for FY 2010-11)



Revised projection (red line) includes "A" level reductions of \$11.6 million and retirement savings of \$3.1 million. 3



Looking Ahead

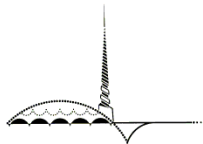
1. Formally adopt balanced budget for FY 2010-11 in July
2. Adjust budget to reflect State budget reductions in summer 2010 (approximately \$20-\$25 million in potential reductions)
3. Continue to address our long-term structural shortfall, still in excess of \$30 million over 5 years



4-Step Process Toward Balanced Budget

(Not Including State)

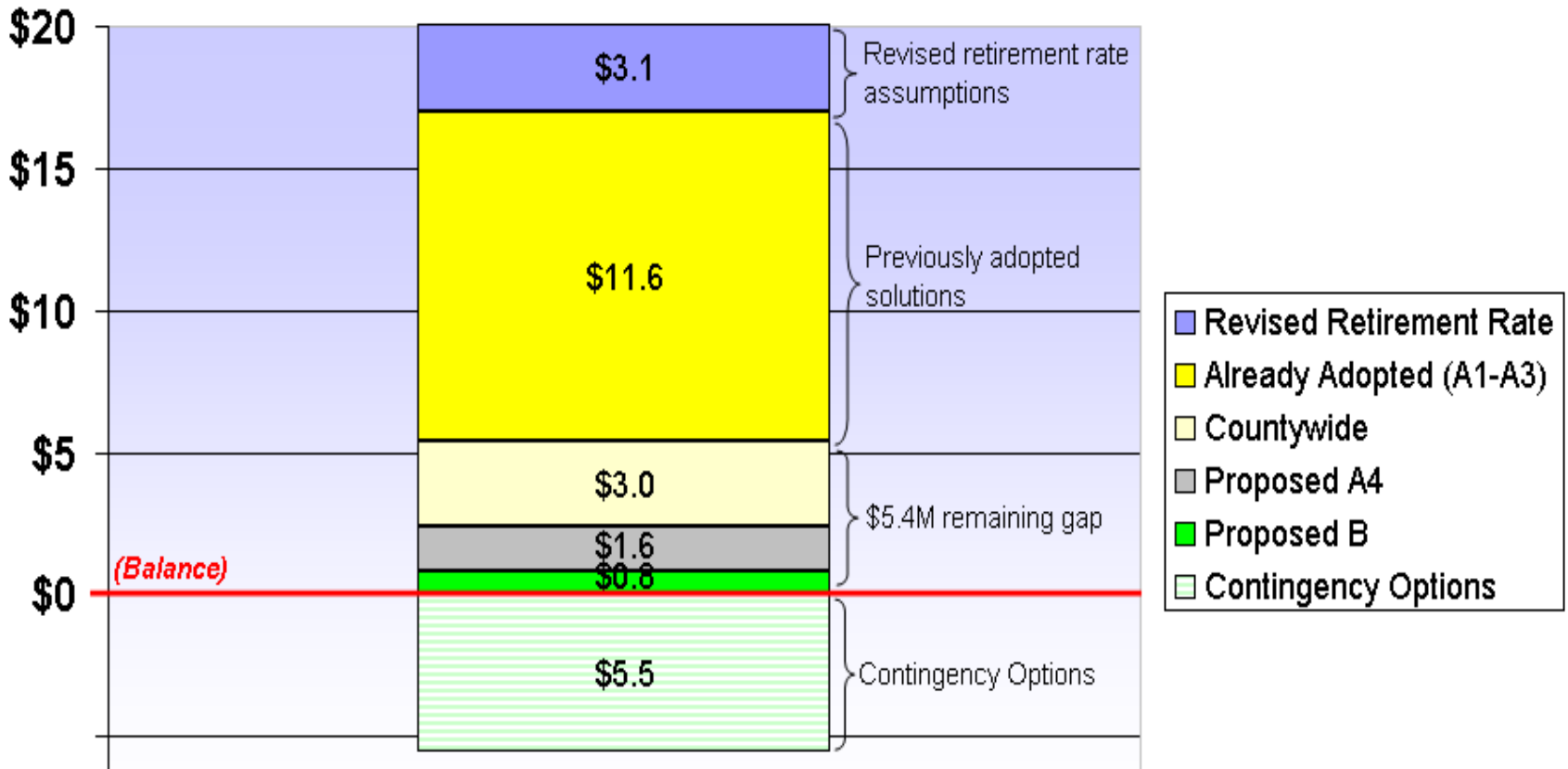
1. Voluntary Separation Incentive Program (VSIP)/mid-year reductions
 - ✓ Approximately \$3.6M savings (already approved 1st round) to reduce \$20 million budget shortfall for FY 2010-11
2. March budget hearings
 - ✓ Implemented 2nd round of reductions to reduce structural gap by approximately \$8.0M (to \$11.6M already approved solutions)
3. May budget workshop
 - ✓ Update concerning next round of reductions. With \$3.1 million retirement rate savings confirmed in April, remaining gap for FY 2010-11 is \$5.4 million
4. July Final budget
 - Final Board action to adopt Proposed Budget, as well as any adjustments regarding State impacts once known

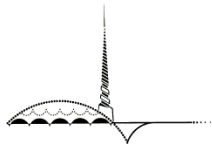


Overview of Recommended Reductions to Close FY 2010-11 Gap

(Not Including State)

Budget Solutions by Type (\$ Millions)

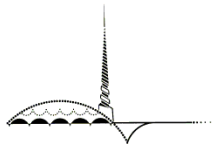
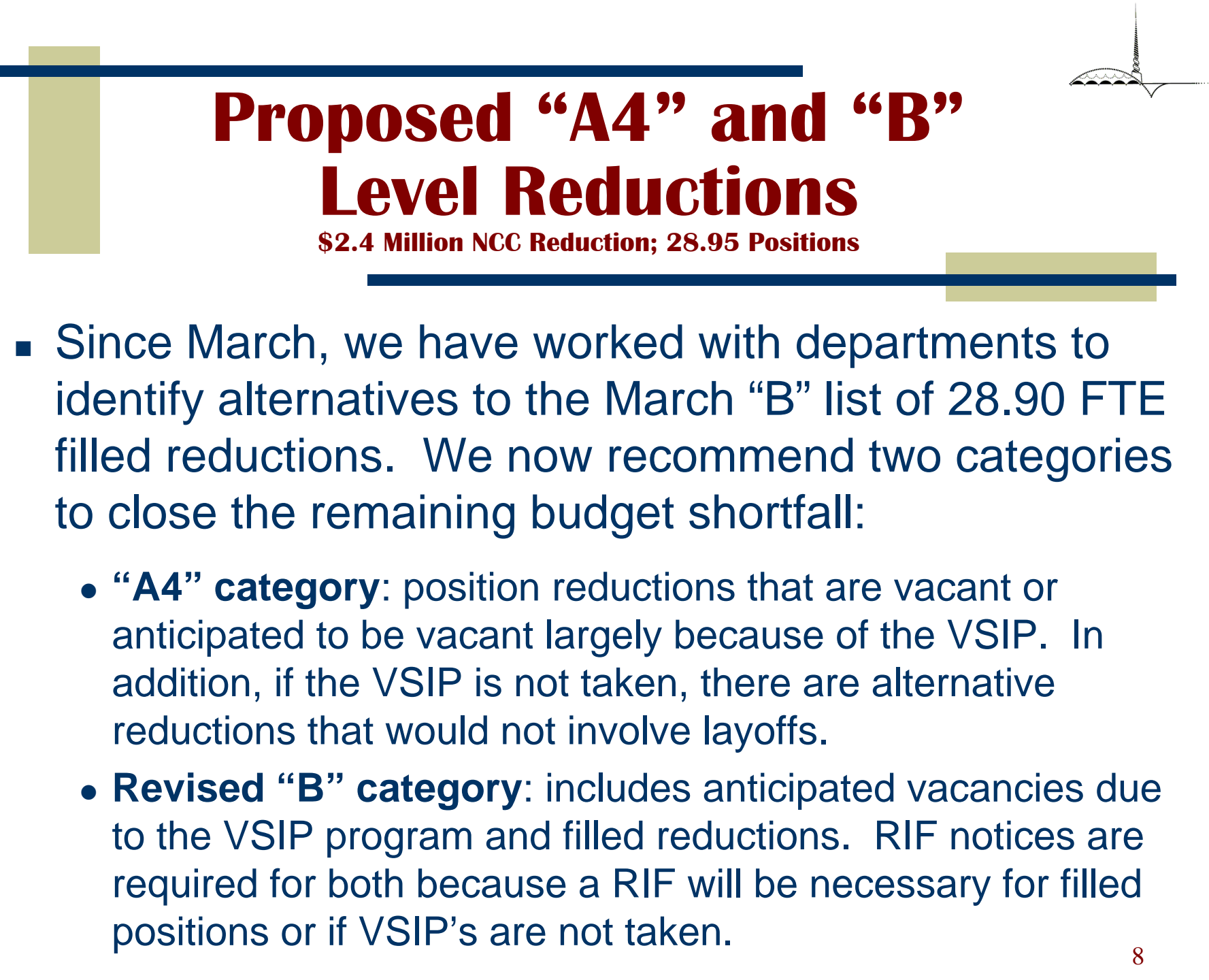
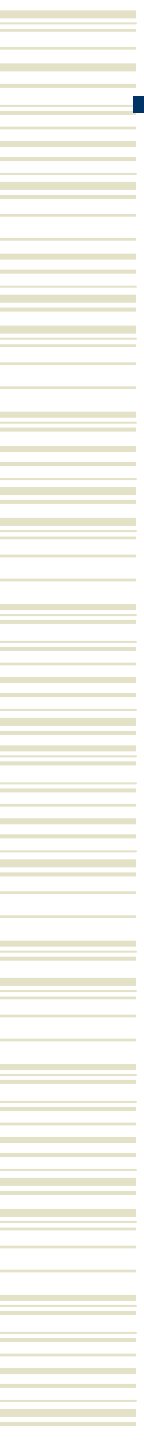




Countywide Savings Options

Countywide savings approximately \$3 million:

- Green Commute program reduction (\$150k)*
- Real estate savings (\$160k)
- Copier lease savings (\$200k)
- Cell phone savings (\$75k)
- Health plan design savings (approx. \$750k)*
- Office modernization savings (\$500K)
- Charge capital staff costs to Capital Fund (\$900k)
- Additional VSIP savings and voluntary furlough savings (\$275k)



Proposed “A4” and “B” Level Reductions

\$2.4 Million NCC Reduction; 28.95 Positions

- Since March, we have worked with departments to identify alternatives to the March “B” list of 28.90 FTE filled reductions. We now recommend two categories to close the remaining budget shortfall:
 - **“A4” category:** position reductions that are vacant or anticipated to be vacant largely because of the VSIP. In addition, if the VSIP is not taken, there are alternative reductions that would not involve layoffs.
 - **Revised “B” category:** includes anticipated vacancies due to the VSIP program and filled reductions. RIF notices are required for both because a RIF will be necessary for filled positions or if VSIP’s are not taken.

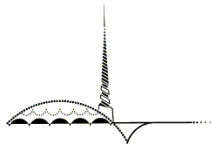
Proposed “A4” and “B” Level Reductions

\$2.4 Million NCC Reduction; 28.95 Positions

A4 Category	Vacant/ VSIP FTE*	Filled FTE	Total FTE	Expenditure Savings	Revenue	Total NCC Savings
County Counsel	(0.50)		(0.50)	(\$72,250)	(\$130,000)	(\$202,250)
District Attorney	(4.00)		(4.00)	(\$397,311)	(\$106,745)	(\$504,056)
Health & Human Services	(3.30)		(3.30)	(\$418,280)		(\$418,280)
Public Defender	(2.00)		(2.00)	(\$413,126)	\$105,000	(\$308,126)
Probation	(0.80)		(0.80)	(\$60,846)		(\$60,846)
Sheriff	(1.00)		(1.00)	(\$87,224)		(\$87,224)
Subtotal	(11.60)	0.00	(11.60)	(\$1,449,037)	(\$131,745)	(\$1,580,782)
B Category						
District Attorney**		1.00	1.00	\$83,839		\$83,839
Health & Human Services	(7.00)	(6.75)	(13.75)	(\$1,107,530)	\$515,873	(\$591,658)
Probation**		(2.60)	(2.60)	(\$362,456)	\$245,033	(\$117,423)
Public Defender	(1.00)		(1.00)	(\$111,176)		(\$111,176)
Sheriff	(1.00)		(1.00)	(\$78,952)		(\$78,952)
Subtotal	(9.00)	(8.35)	(17.35)	(\$1,576,275)	\$760,906	(\$815,370)
Total	(20.60)	(8.35)	(28.95)	(\$3,025,312)	\$629,161	(\$2,396,151)

*Includes anticipated VSIP agreements; subject to change pending approved applicants who complete agreements by VSIP program deadlines in July.

**Includes 1.0 FTE Mediation Case Developer-Bilingual proposed as transfer from Probation to District Attorney's Office.



Overview of Recommended Reductions to Close Remaining Gap

(Not Including State)

- ◆ With new VSIP agreements and alternative reduction options, we anticipate that several Reductions in Force (RIF) from the original Category “B” in March will be mitigated with voluntary separation or vacant position reductions instead:
 - 28.95 Total FTE reductions at Proposed “A4” and “B” Levels
 - Up to 20.60 VSIP or alternative vacant reduction options
 - 10-15 anticipated Reductions in Force pending final VSIP status in early July

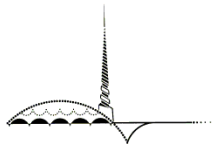


Overview of Recommended Reductions to Close Remaining Gap

(Not Including State)

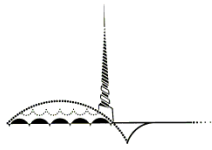
Reduction in Force (RIF) Noticing:

- ◆ HR is requesting authorization to proceed now to provide affected employees sufficient RIF notice and to fulfill requirements
- ◆ Notices will be sent to all affected employees impacted by RIF – those directly affected by eliminating the position and those affected by any bumping
- ◆ Employees will have 7 days to enact their bumping rights
- ◆ Some RIFs will be withdrawn after July 9th where VSIPs have mitigated the layoff
- ◆ Formal BOS approval of Reduction in Force actions - July 28, 2010; employee separation by August 8, 2010
- ◆ HR is requesting that BOS approve additional benefits for affected employees (job search time)



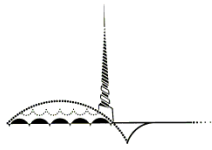
FY 2010-11 Policy Discussion Items

- ◆ Mediation Services restructuring
- ◆ Gynecology/Case Management reductions
- ◆ State reductions anticipated this summer
- ◆ Special funds balancing
- ◆ Allocation of 1-time funds, Budget Change Proposal (BCP) considerations
- ◆ Any further discussion or feedback concerning department performance plans



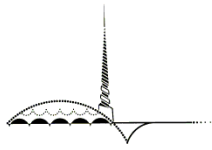
Elimination of Mediation Services Program

- ◆ Option 1: Eliminate Mediation Services within the Probation Department, and Transfer Program Duties to the Consumer Protection Unit of the District Attorney's Office
 - Would eliminate 2.40 FTE with \$186,500 ongoing savings
- ◆ Option 2: Maintain the Mediation Program at a reduced Net County Cost
 - Due to uncertain nature of alternative funding sources, would not substantially reduce ongoing General Fund subsidy
- ◆ Option 3: Transition Mediation Services into a non-profit 501(c)(3) organization
 - It is unlikely that a non-profit could function without ongoing support from the County. This option would be mutually exclusive with Option 1.



Elimination of Mediation Services Program

- ◆ Option 1 is recommended
 - Transfer program duties to the Consumer Protection Unit of the District Attorney's Office
 - Involves elimination of 2.4 positions for savings of \$186,500
 - 1.0 FTE bilingual Case Developer transferred to District Attorney to augment bilingual capacity
- ◆ This option provides the best opportunity to maintain services and eliminate ongoing subsidy
- ◆ Mediation Services is a non-mandated program not typically provided by county governments
- ◆ Marin is the only county among our comparable counties with a County-run mediation program



Closure of County's Gynecological Clinic

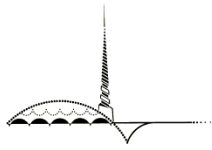
- ◆ We are proposing to close the County's gynecological clinic
- ◆ Involves ongoing savings of approximately \$634k. We are reducing fewer case management positions (1.00 FTE vs. 3.75 FTE)
- ◆ When County opened clinic, no other local agency provided women's health services
- ◆ Today, community providers such as Marin Community Clinics (MCC) provide comprehensive primary care with a comparable standard of care for GYN services
- ◆ MCC also receives higher reimbursement for Medi-Cal covered services



Closure of County's Gynecological Clinic—*Con't*

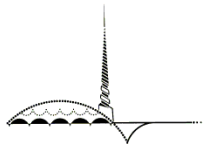
Realignment Strategy:

- ◆ Starting late 2009, stepwise reductions over several months in HHS GYN clinics corresponding to added community capacity
- ◆ Sequenced reductions:
 - Hand off of 'Teen Tuesdays' December, 2008
 - 'Warm hand-offs' of co-patients (January 2010)
 - New patients referred to MCC (January 2010)
 - Reductions in HHS GYN Clinics through staff attrition

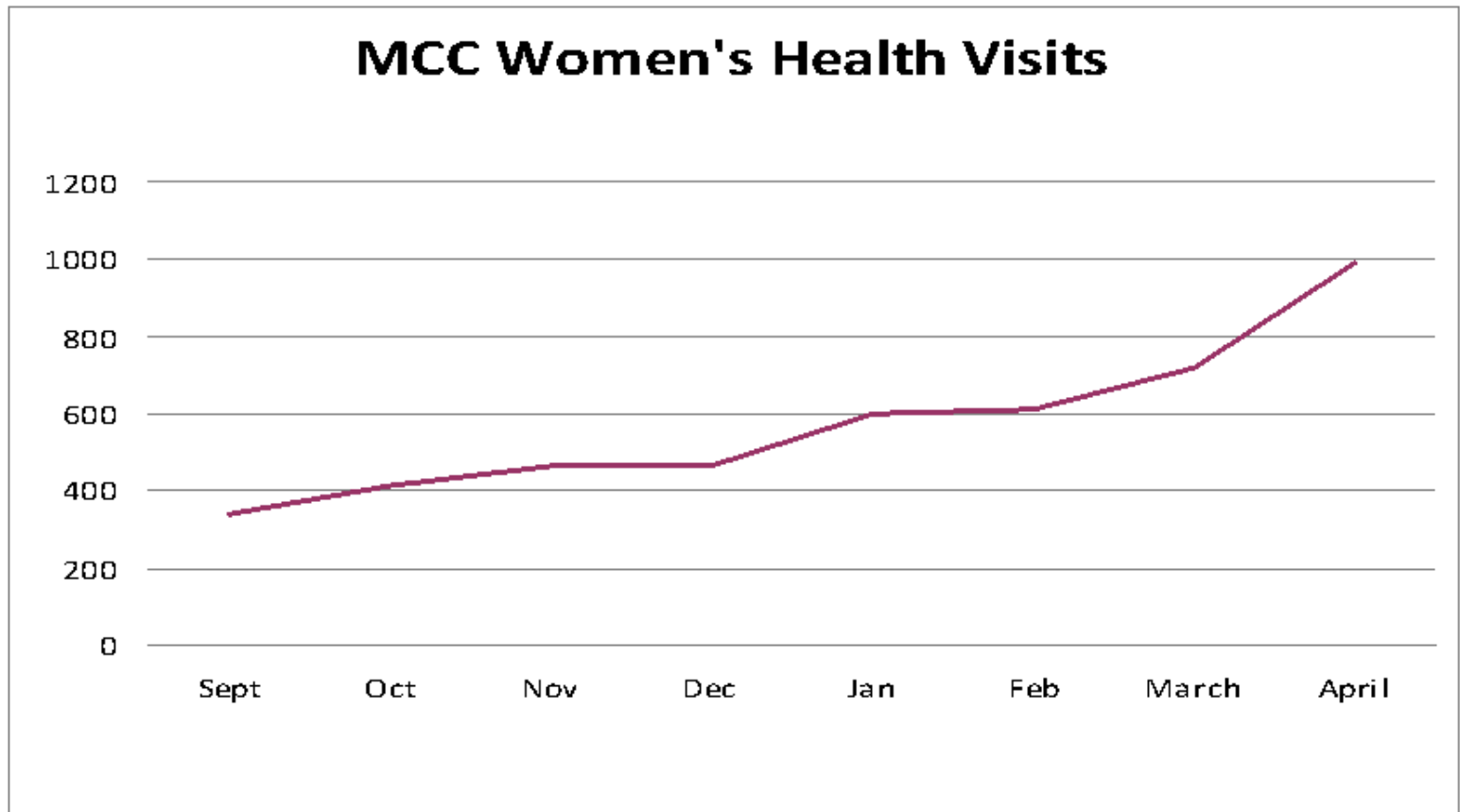


Closure of County's Gynecological Clinic—*Con't*

- ◆ New Women's Health programs at MCC
 - Designated Title X (April 1, 2010)
 - Cancer Detection Program (CDP) Provider
- ◆ Joint 'operations meetings' with MCC to develop clear and consistent practices
- ◆ MCC/HHS Contract for GYN physician time to build MD/specialist capacity & continuity of care at MCC



Closure of County's Gynecological Clinic - *Con't*





Closure of County's Gynecological Clinic—*Con't*

Post Closure Monitoring:

- ◆ 'Saturation' of visit slots in community vs. demand
- ◆ Wait times for new appointments at community clinics
- ◆ Patient Practice cross-matching against HHS client list
- ◆ MCC will report patient satisfaction survey results for women's health services



Closure of County's Gynecological Clinic—*Con't*

Required Reporting at FQHC

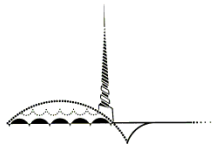
- ◆ % Women receiving PAP smears
- ◆ % of Diabetics whose HgA1C levels <9
- ◆ % of births <2500 g
- ◆ % Pregnant beginning prenatal care in 1st T
- ◆ Domestic violence screening
- ◆ Birth rates for teens
- ◆ Immunization rates for children <2 years old
- ◆ Chlamydia infection prevalence
- ◆ Smoking in pregnancy
- ◆ Dental care in pregnancy and children



Closure of County's Gynecological Clinic—*Con't*

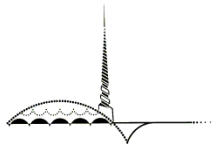
Next Steps:

- ◆ Continue to inform and work with all parties including hospitals and community providers as realignment of County-based medical services occurs
- ◆ Develop mechanisms to monitor the health of the medical 'safety net' across Marin as significant changes take place



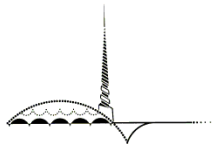
State Budget Update

- ◆ May Revise released Friday: \$19 Billion State shortfall. Nearly 2/3 of May Revise solutions are expenditure cuts; approximately \$20-\$25 million in local impacts:
 - Mental Health funding could be reduced \$12 million locally
 - Social Services funding reductions, particularly Cal-WORKS and IHSS, up to \$8 million local impact
 - State shifts responsibility for housing non-violent felons (with < 3 year sentences) to local jails vs. State prison
- ◆ County Proposed Budget includes \$2 million budget reserve to offset expected delay in implementation of adjustments



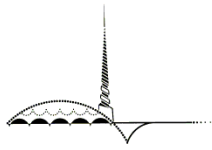
State Budget Update - *Con't*

- ◆ Given long-term internal budget challenges, we recommend reduced spending to live within revised State revenue allocations
 - Staff will analyze impacts with affected departments and consider reduction options
 - Return to Board this summer regarding specific reductions and related policy issues



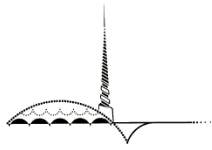
Special Funds Balancing

- ◆ Some funds may have issues balancing to a sustainable use of fund balance for FY 2010-11; funds incurring increased pension and retiree health set-aside costs just like the General Fund:
 - Environmental Health Services
 - Child Support Services
 - Airport
 - Open Space District
- ◆ Proposed Budget will be balanced, but we may need to recommend subsequent actions to achieve a sustainable ongoing budget



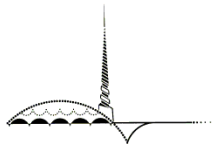
One-Time Allocations

- ◆ The budget includes the use of \$25 million of prior year fund balance. Of this, approximately \$5 million is recommended for one-time allocations.
- ◆ Recommended one-time allocations include:
 - Budget Change Proposals - \$707k
 - ADA improvement projects - \$1 million (in addition to existing \$1.7 million CIP allocation)
 - State budget contingency - \$2 million
 - One-time offset for delayed implementation of recommended “B” level reductions and VSIP - \$500k
 - Remaining balance includes one-time costs included within baseline



Budget Change Proposals (BCP's)

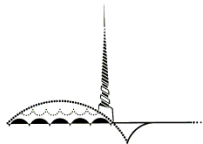
- ◆ One-time BCPs recommended, consistent with County goals, totaling \$707k:
 - Housing Element Update: \$400k
 - Salmon Enhancement Program: \$250k
 - Sheriff's Voice Recognition Crime Report Writing Project for Patrol Vehicles: \$57,000
- ◆ Ongoing Cost-Covered BCPs:
 - Public Defender Administrative Reorganization
 - Child Support/Enhanced Collections
- ◆ Ongoing BCPs:
 - Parks' maintenance of Cal-Park Tunnel (opening this summer): \$137k
 - Human Resources Admin. Reorganization: \$15k



3-Year History of Reductions (FY 2008-09 to FY 2010-11)

If Board approves recommended FY 2010-11 reductions:

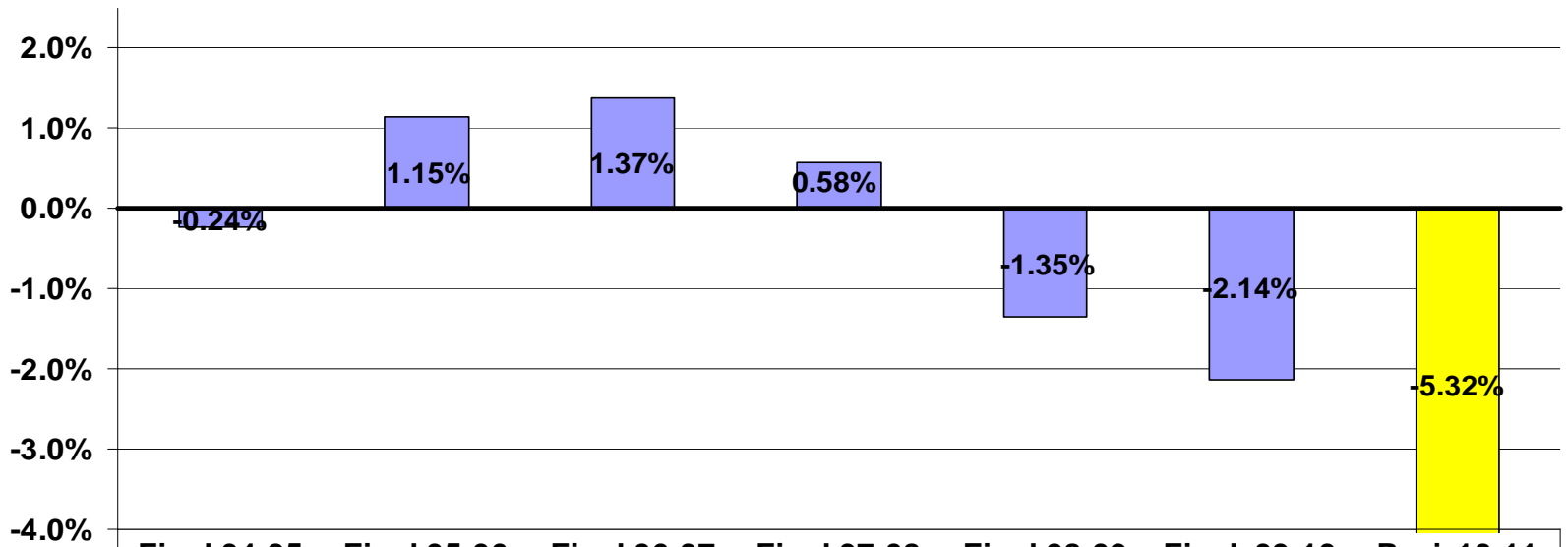
- ◆ County will have achieved \$30 million in net county cost savings over the past three years
- ◆ \$25 million in expenditure reductions, with nearly 180 positions eliminated overall (including State reductions)



County Will Have Eliminated Nearly 180 Positions Over Past 3 Budget Years*

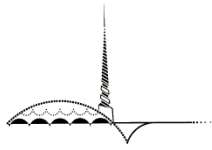
(Approx. 1,830 Recommended General Fund FTE for FY 2010-11)*

Percentage FTE Growth (General Fund)



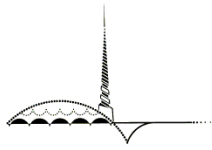
	Final 04-05	Final 05-06	Final 06-07	Final 07-08	Final 08-09	Final 09-10	Proj. 10-11
% Growth	-0.24%	1.15%	1.37%	0.58%	-1.35%	-2.14%	-5.32%

*If second (revised "B") round of budget reductions is approved including 29.15 positions.



Next Steps

- ◆ Consider approval of VSIP recommendations; 23 FTE recommended (19 FTE General Fund)
- ◆ FY 2010-11 Proposed Budget to print first week of June (including department performance plans)
- ◆ Interim Budget scheduled for Board consideration June
- ◆ Budget hearings scheduled for:
 - Monday, July 26th at 10:00 a.m.
 - Wednesday, July 28th at 10:00 a.m.



Questions

- ◆ *QUESTIONS & FEEDBACK*