

**JOINT COUNTY BOARD STAFF/FINANCE COMMITTEES**  
**Minutes – July 11, 2014**

**Call to Order:** County Board Staff Committee Chair Podzilni called the joint meeting of the County Board Staff Committee and the Finance Committee to order at 8:00 A.M. in Conference Room N-1/N-2 on the fifth floor of the Rock County Courthouse-East.

**Committee Members Present:** County Board Staff Committee – Supervisors Podzilni, Kraft, Arnold, Brill, Bussie, Sweeney, Mawhinney (in at 8:02), Peer. Finance Committee – Supervisors Kraft, Beaver, Fox, Mawhinney (in at 8:02), Podzilni.

**Committee Members Absent:** None.

**Staff Members Present:** Craig Knutson, County Administrator; Joshua Smith, recently appointed County Administrator; Randy Terronez and Nick Osborne, Assistants to the County Administrator; Sherry Oja, Finance Director; Charmian Klyve, Human Services Director; Phil Boutwell, Human Services Deputy Director; Sara Mooren, Administrative Services Division Manager, Human Services; Jodi Parson, Secretary, Human Services.

**Others Present:** None.

**Approval of Agenda:** Supervisor Arnold moved approval of the agenda as presented, second by Supervisor Bussie. ADOPTED.

**Citizen Participation, Communications and Announcements:** Mr. Knutson advised this is the first of the Committee Meetings on Budget. Next Friday, July 18th, will be the overview of the County Budget and the Public Health Department. Mr. Knutson advised the Human Services Budget is one third of the County Budget. It is a complex area and continually changing.

**Review and Discussion of the 2015 Preliminary Budget Cost to Continue – Human Services:** Ms. Klyve explained this presentation is based upon preliminary information because there are many unknowns, for example, some State funding allocations are not known at this time. She advised yesterday notice was received that the PPACA funding is coming.

Ms. Klyve reviewed the HSD Mission Statement, “Building upon the strengths of clients to encourage independence by providing quality services with respect for the dignity of all persons served.”

Ms. Klyve stated that most of the services provided by HSD are mandated services governed by statutes and administrative codes; Child Protective Services, Juvenile Justice Services, Economic Support Services, Long Term Support Services and Mental Health/AODA Services.

Ms. Klyve said the direction given to Department Heads for the 2015 pre-budget projections are: Assume a general 2% inflationary increase for personnel, health insurance and other operating costs; Identify known revenue increases/decreases; Actions necessary to reduce the county tax levy to a level no greater than received in 2014; List the actions in priority order. The specific assumptions made to arrive at the Cost to Continue (CTC) are: The 2015 CTC includes time-in-service step increases; full funding for positions created as part of the HSD reorganization (in 2014 certain positions were budgeted for a partial year); no ESS Affordable Care Act (ACA) funds from the State for ACA project positions, (we received notice yesterday that there will be Statewide PPACA funds which will help us bridge over to next year and help us maintain some project staff). The Revenue adjustments are State and Federal revenue losses which include: Reduction in Youth Aids Funding of about \$159,000; loss of FSET funding in ESS of about \$82,000; and loss or reduction in other funding sources (BCA, WIMCR) of about \$37,000.

Ms. Klyve said the cost increases they have assumed are: An increase of \$627,000 in Departmental personnel costs (includes 2% increase, step increases, 2014 COL increase, fully funding all existing positions); projected 2% cost increase for State Institutes and Hospitals of about \$81,000; Community Support client program expenses of about \$13,000; daily rate increase for children's substitute care costs and correctional placements of about \$110,000, and general operational expenses of about \$82,000.

Ms. Klyve said the CTC budget for 2015 at this time is:

2014 County Tax Levy:	\$19,386,610
Revenue Decreases:	\$ (\$278,000)
Cost Increases:	\$ <u>913,000</u>

CTC Levy for 2015: \$20,925,879

Reduction needed for 0% Levy increase: **\$1,191,000**

Ms. Klyve said the potential revenue enhancements include: the implementation of Comprehensive Community Services (CCS) in the MH Division for \$160,000. This is a new initiative as of July 1, 2014. CCS is a flexible funding source for MA clients with MH needs and serves both children and adults, CCS pays for many client services we currently provide service to without a funding source. CCS helps bridge the service gaps between OPS and CSP. It is the only program the State has fully funded. Second, we will focus on increasing revenue source by \$50,000 with ACA. There are new opportunities for revenue in OPS, 51.15 emergency detentions and AODA services if the individual is an ACA covered client. The NetSmart Avatar system generates bills, and the new OPS Supervisor is working on productivity of the psychiatrists and staff. Mr. Knutson and Ms. Klyve responded to questions.

Ms. Klyve said the potential expenditure reductions are: reduce the budget for State Institutes by \$300,000; reduce the CPS/JJ Residential Care Center Costs by \$350,000; reduce CPS/JJ Substitute Care (Group home treatment and regular foster care) by \$125,000; create a Shift Staff Treatment Foster Home to provide alternative to institutional settings, thereby, reducing county costs by \$105,000; reduce the budget for Juvenile Corrections by \$50,000, and increase the use of Woodland Enhanced Health Services in Clark County to reduce protective placement costs by \$135,000.

Ms. Klyve recapped these potential revenue increases/expenditure reductions as follows:

CCS – Comp. Comm Care	\$ 160,000
Addl. Revenue Sources	\$ <u>50,000</u>
Sub-total rev. enhancements	\$ 210,000
State Institutes	\$ 300,000
CPS/JJ Residential Care Centers	\$ 350,000
CPS/JJ Group Home, Foster Care	\$ 125,000
Shift Staff Treatment FH	\$ 105,000
Juvenile Corrections	\$ 50,000
Increased us of WEHS	\$ <u>135,000</u>
Sub-total Expenditure Reductions	\$1,065,000
Total Estimated Levy Reduction	\$1,275,000
Shortfall	\$ 0

Ms. Klyve said the challenges or areas of uncertainties are: Medical Assistance and Affordable Care Act (ACA), which include the change in MA eligibility from 100% to 200% FPL – resulting in fewer clients being eligible for CCS as they must be on MA to qualify; the difficulty in projecting third party revenue from ACA when the County provides Mental Health/AODA treatment; no penalty if a person fails to disclose that they have ACA coverage; no central database to verify if someone is covered by ACA insurance; many persons have not or will not sign up for ACA benefits

and continue to have no payer source, MA or otherwise; CCS program revenue estimates are uncertain; Children/Youth Substitute Care/Corrections with a loss in Youth Aids could result in less funding for community based services and the initiative to return 17 year olds to Juvenile Justice likely would have an impact; the CCS program will take some time to ramp up services. Additional uncertainties are: no additional State PPACA funds for 2015 despite increased ES workload. We did find out yesterday that some funds will be coming. There are also new State requirements to pay and provide services to Group or Foster Home youth with an IEP up to age 21; Competitive bidding on the Brighter Futures grant we know will reduce funding. Finally, the increased case complexity resulting in high costs for children with increased mental health and ongoing care needs requiring OHC and high cost, high need adult placement cases. The client demand for services with increased crisis calls and/or needed 51 placements and AODA treatment, as well as, increased CPS reports, and increased number of long term Alzheimer or brain injury cases under protective placement can all result in significant costs.

In Summary, Ms. Klyve said, the Human Services Department is a "safety net" for the County's most vulnerable citizens. The Department has a strong history of maximizing resources while continuing to provide high quality services in a challenging fiscal environment. We continue to examine ways to meet the needs of our citizens in the most cost effective and efficient manner. Ms. Klyve thanked Mr. Knutson for his leadership and recognized his humanity as the County Administrator. Ms. Klyve responded to questions on the youth services initiative to return 17 year olds to Juvenile Justice.

Mr. Knutson said the presentation provides an idea of where the Department is at this point and is not necessarily the budget the County Board will see. He said the good news is he was able to build the health insurance in with a 0% increase. The wellness program has been working. The State retirement rates for the general employee shows a slight decrease for the first time down to 6.80% for the County share.

**Set Future Meeting Dates:** Mr. Knutson reminded the Committees that the Joint Committees will be meeting for the General Finance overview and Public Health Department next Friday, July 18<sup>th</sup>, 8 A.M. The Committee decided to meet to review the Developmental Disabilities Board and Rock Haven on July 25<sup>th</sup>. The Sheriff's Department and Public Works will each have separate meetings.

**Adjournment:** Supervisor Arnold moved adjournment at 9:27 A.M., second by Supervisor Peer. ADOPTED.

Respectfully submitted,

Jodi Parson  
Secretary, Human Services Department

**NOT OFFICIAL UNTIL APPROVED BY THE BOARD**