

Agenda Report

TO: CITY COUNCIL **DATE:** SEPTEMBER 20, 2004

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: APPROVAL OF FISCAL YEAR 2005 BUDGET AMENDMENTS FOR VARIOUS PUBLIC HEALTH DEPARTMENT PROGRAMS

RECOMMENDATION

It is recommended that the City Council:

1. Approve journal vouchers adjusting various estimated revenues and appropriations for grant funded programs in the Public Health Department's fiscal year (FY) 2005 operating budget, as detailed in Attachment A, for a net increase of \$54,763.
2. Approve the elimination of 1.00 Nutritionist, 1.00 Staff Assistant III and 0.80 Senior Nutrition Aide from the Women, Infants and Children (WIC) program and approve the addition of 1.00 Principal Operations Specialist to the Black Infant Health (BIH) program, thereby decreasing the Public Health Department total full time equivalents (FTE) from 94.94 to 93.14 FTEs.
3. Appropriate \$97,034 from the unappropriated Health Fund balance and approve journal vouchers adjusting various estimated revenues and appropriations in the FY 2005 operating budget to:
 - Provide matching funds in the amount of \$5,032 for a draw-down of federal funding for the BIH program; and,
 - Cover the \$92,002 cost of severance pay and separation incentive pay resulting from the elimination of 2.00 FTEs from the WIC program and 1.00 FTE from the Substance Abuse Recovery Program.

BACKGROUND

The State budget situation continues to create tremendous uncertainty for public health services. New information concerning FY 2005 funding has become available since the City's FY 2005 budget was adopted. Staff recommends amendments to the Public

Health Department budget as a result of the updated funding notices, as well as fiscal impacts of actions taken to restore or finalize position layoffs and reductions in FY 2005.

Changes to Grant Allocations

The Pasadena Public Health Department (PPHD) receives approximately 50 percent of its supporting revenues from categorical State, Federal, and private grants that cover personnel and operating costs for specific purposes. Five such grant awards have recently been revised, four of which are increases that sustain or enhance prior year staff and service levels and one of which is a decrease, requiring reductions in operating costs, including personnel. The net value of the revisions to the FY 2005 adopted budget is \$54,763. Attachment A lists the programs being adjusted by name, description and impact and summarizes the budget adjustments that will be required as a result of funding changes. As with prior years, further amendments could occur during the year, resulting in additional funding cuts or increases.

Personnel Impact

Staff recommends the addition of 1.00 Principal Operations Specialist to enhance case management, program development and implementation activities in the BIH program. An employee whose position was eliminated in the FY 2005 adopted budget will be reassigned to this position. The \$63,216 annual cost will be funded with a combination of the increase in grant dollars of \$12,746 and \$5,032 in matching funds and by shifting adopted budget expenditures in contract services of \$45,438 to personnel line items, resulting in no net impact in overall expenditures.

Staff also recommends staffing changes to the WIC program in order to eliminate a projected deficit of \$136,284 due to declining caseload and declining funding coupled with increased costs. WIC operates on a Federal fiscal year (FFY) from October through September, and budget reductions have been announced for FFY 2005. Eliminating 1.00 Nutritionist (\$62,691), 1.00 Staff Assistant III (\$43,611) and 0.80 Senior Nutrition Aide (\$29,982) will bring WIC program losses into alignment with available funding. Separation incentive packages in the amount of \$55,622 have been offered and were accepted by two of the affected employees. Staff is working with the Human Resources Department to place the third employee.

These actions, if approved, will reduce the number of positions approved in the FY 2005 operating budget from 94.94 to 93.14 FTEs.

Service Impact

The WIC program caseload has been steadily declining over the past five years and may be the result of a number of factors, including: extended hours of accessible WIC sites in the San Gabriel Valley and Glendale, long wait times for service at the Pasadena WIC site, changing population demographics and immigration issues. The decline may continue through this fiscal year, requiring further programmatic reductions. At this time, staff projects that the caseload will stabilize.

The grant funded programs that are receiving increased funding will be enhancing outreach, education and other grant required activities, as described in Attachment A. In the two programs where funding is highly volatile, contract staff will be engaged to perform the work.

Use of Unappropriated Health Fund Balance

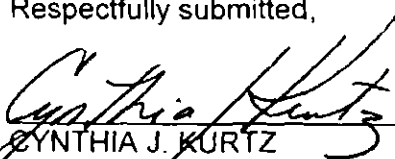
In addition to the adjustments outlined above, staff recommends appropriating \$97,034 from the unappropriated fund balance in order to cover unanticipated costs for FY 2005, as follows:

- (1) The city must provide matching funds in the amount of \$5,032 to maximize funds available to the BIH program through federal funding as a result of funding amendments announced by the State.
- (2) Elimination of 1.00 FTE Senior Substance Abuse Counselor already implemented in the FY 2005 adopted budget as a result of grant funding reduction requires the Department to cover severance pay and a separation incentive package totaling \$36,380.
- (3) The staffing reductions in the WIC program, as described above, will result in separation incentive package and severance pay costs for the affected employees. The related costs are estimated at \$55,622.

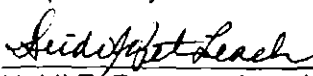
FISCAL IMPACT

As a result of these actions appropriations and estimated revenues in the Public Health Department's FY 2005 adopted budget will be adjusted for a net increase of \$151,797 from \$10,586,183 to \$10,737,980. In addition, the unappropriated Health Fund beginning balance for FY 2005 of \$960,371 will be reduced by \$97,034, thereby leaving a balance of \$863,337.

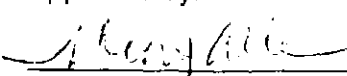
Respectfully submitted,


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ATTACHMENT A

Journal Voucher Budget Adjustments for Grant Funded Programs

Ref #	Program Name and Description	Service Impact	Adopted Budget	Revised Budget	Variance
1	CHDP Foster Care Program – Assures that eligible children in the foster care system have access to quality medical services by: 1) working with medical service providers; 2) working with Pasadena Unified School District to coordinate the school entry program for children entering kindergarten; 3) providing education to eligible children and their foster families; and 4) providing case management for eligible children with special needs.	Increased outreach and education to children in foster care and their foster families to ensure comprehensive medical case management through addition of a contract Public Health Nurse.	\$110,045	\$167,116	\$57,071
2	CHDP Gateway Program – Replaces and expands the role and funding for the traditional CHDP program. Additional emphasis is placed on enrolling children in Healthy Families and Medi-Cal and offering 3 months presumptive eligibility and care. Absorbs insurance outreach function previously provided in Healthy Families program.	Increased outreach activities through restoration of subcontracts with PUSD and Young & Healthy. Compliance with new reporting and record keeping requirements through addition of contract Program Assistant position.	\$260,700	\$335,418	\$74,718
3	Black Infant Health Program Allocation – Works to reduce African American infant mortality and its underlying causes by assuring access to quality maternal and child health services and related education and awareness programs for at-risk pregnant and parenting African American women; provides social support and empowerment interventions through case management, health behavior modifications and prevention programs; focuses on increased community awareness about African American infant mortality.	Enhanced case management, program development and implementation activities through reassignment of 1.00 staff slated for layoff (Principal Operations Specialist reassigned from Vital Records to Black Infant Health Program).	\$486,462	\$499,208	\$12,746
4	Minority Immunization Initiative – Reduces immunization disparities for African American and Latino children through outreach and education of both parents and medical providers and improved data collection and availability for tracking and follow up of immunization status. Three year grant.	Enhanced outreach activities by filling a frozen Community Services Representative I position (this position has been offered as an alternative to one of the affected WIC employees)	\$231,454	\$277,966	\$46,512
5	WIC (Women, Infants and Children) Supplemental Nutrition Program – Provides nutritional counseling, education, and supplemental food vouchers for pregnant women and lactating women and their children up to age five years.	No anticipated change in scope of service although volume will decrease since caseload has declined.	\$824,008	\$687,724	(\$136,284)
					\$54,763