



MEMORANDUM

Kathy Gallagher, Director

40 Douglas Drive, Martinez, CA 94553 • (925) 313-1500 • Fax (925) 313-1575 • www.ehds.org

To: Family and Human Services Committee **Date:** September 2, 2015

Cc: Dorothy Sansoe
Enid Mendoza

From: Kathy Gallagher, EHSD Director

Subject: **Family & Human Services Committee Report – EHSD Challenges**

Included here are several significant challenges that the Employment & Human Services Department is facing now, and projected into the future. Some of these are new and emerging challenges, others continue from year to year. As the economy has improved, EHSD has focused on restoring our capacity to meet the heightened expectations of the community and of our customers. This includes things like speed of our service delivery in a highly automated society, shortened response times, more detailed analyses of our program and fiscal data, more transparent communications, and more. A positive customer experience through service and organizational excellence is our highest priority.

Table of Contents

1. Medi-Cal Funding Inadequate
2. CalWorks Work-Participation-Rate Risks
3. Total Compensation Disparities Impact Attracting and Retaining Qualified Staff
4. California's Fostering Connections to Success Act Creates Unfunded Workload
5. Aging and Adult Services Reorganization
6. CSB Head Start Facing a Facilities Crisis
7. Developing a Results-Oriented Organization

Medi-Cal Funding Inadequate

EHSD continues to struggle with the inadequacy of State and Federal allocations for conducting MediCal eligibility determinations, annual renewals and case management. The Department of Health Care Services methodology for determining allocations to California's 58 counties is not based on realistic and equitable factors, such as the cost per case, number of applications and continuing caseload. Some counties with smaller caseloads than that of Contra Costa are awarded a higher annual allocation. The net result is our inability to maintain staffing levels that are sufficient to meet the high demand in our county for health care access through the MediCal program. Consequently, we continue to struggle with significant backlogs of applications, overdue renewals of eligibility, and excessive wait times for callers. EHSD is the front door for the CCHP managed care system in our county that provides health

access to our MediCal recipients. These backlogs and delays in EHSD have a rollover effect on the health plan's ability to meet their administrative mandates. Local health clinics are impacted as well.

Advocacy for a rational and fair allocation methodology on behalf of Contra Costa County can have an impact. Later this year, the Department of Finance, Department of Health Care Services, CSAC and other relevant stakeholders will begin an assessment of the current factors included in the allocation methodology, and developing a proposed model for a future methodology. Contra Costa deserves equity in the distribution of health care funding.

CalWorks Work-Participation-Rate Risks

The CalWORKs/Welfare-to-Work program is currently focused on increasing the Work Participation Rate (WPR). The WPR reflects the percentage of participants that are in an approved activity (i.e. employment, training program, volunteering etc.). The participants are required to be engaged in a specific number of hours weekly based on their family size and situation. When a participant is engaged in an approved activity for the required number of hours, they are meeting their WPR requirement and are counted toward the WPR of the county.

Starting in the Great Recession (2008-09) and the years since, the State of California have failed to meet the required WPR of 50%. As a result, a significant Federal penalty is looming which will impact our county. The Federal Government has agreed to waive the penalty for these years if the State of California meets the 50% WPR in the current Federal Fiscal Year (10/2014 – 9/2015).

Being one of the counties hardest hit by the Great Recession, Contra Costa County has struggled to meet the WPR. Due to the economic downturn, we were required to terminate all of our discretionary contracts, and now we have a very limited service spectrum for our WTW participants. We are diligently collaborating with our community partners to identify and increase the services we can offer the CalWORKs/WTW population.

As the economy in our county recovers and we experience an uptake in our employment rate, we have also been able to raise our WPR. Although we are not currently meeting the WPR, we have implemented an action plan that will result in a 2%-5% increase in the WPR by the end of September. With the State of California's WPR at 49%, it is imperative that we achieve a minimum increase of 2% and continue with our goal of increasing the WPR by 8%-10% by the end of the calendar year. These are the first of many steps that we will be taking to increase the WPR to 50%.

Total Compensation Disparities Impact Attracting and Retaining Qualified Staff

The Employment and Human Services Department (EHSD) is rebuilding its capacity and capabilities after experiencing dramatic staff reductions during the period of 2007 to 2010. During this period, the Department was forced into layoffs, and kept many positions unfilled because its budget was greatly reduced. As the economy has improved, the federal and state allocations that are used to fund

approximately 90% of the Department's operations have increased and have allowed the Department to start to rebuild.

At the same time, the Department continues to experience issues from the past recession. Wages and benefits in Contra Costa County have not kept pace with surrounding counties, and even when wages are similar, the amount employees pay for retirement and health benefits means that actual take home pay is substantially lower. One very recent example is a Division Manager level position where the person EHSD is hoping to attract is paying \$90 for health benefits in her current county versus a cost of \$369 for the same plan in Contra Costa County. The take home pay issue is so acute that the Department is compelled to offer pay at the top of the salary range to ensure that pay for outside applicants actually increases when they accept a promotion in Contra Costa County. In addition, we routinely advise applicants to check with HR Benefits and Retirement to ensure they have an accurate picture of benefits costs in Contra Costa as compared to their present employment. There have been instances of highly qualified people accepting positions and leaving after they receive their first check and others declining positions because of the pay and benefits.

Coupled with the compensation and benefits disparities between Contra Costa County and the surrounding counties is the trend in unemployment. As of May 2015, Bay Area counties are experiencing unemployment rates as low as 3.3% with a high of 5.9% for Solano. Contra Costa's rate was 4.8%. It is a job seeker's market and job seekers are in a position to pick and choose.

EHSD is losing trained and qualified staff to surrounding counties because employees realize that both salaries and their take home pay will increase by accepting even a lateral placement in a neighboring county. At the same time as EHSD is rebuilding its staff capacity, surrounding counties are doing the same thing. There is strong competition for talent. EHSD has become a target for recruitment efforts by other counties, and we are now a "training ground" for staff who take the training, knowledge and experience they gained in Contra Costa County and move to adjacent counties for higher net compensation. The impact of the salary and benefits disparities continues to make attracting and retaining skilled and qualified staff a significant challenge.

California Fostering Connections to Success Act Creates Unfunded Workload

Assembly Bill 12, better known as the California Fostering Connections to Success Act, is a landmark decision that offers soon-to-emancipate youth additional services and support beyond age 18 (the previous age for emancipation from foster care), up to the age of 21. The requirement for monthly in-person visitation has been extended to non-minors, up to the age of twenty-one, whether or not that youth is placed in the county of original dependency, or she has moved far away, in some cases, to distant states. At this point in the development and practice of AB12, the number of out-of-county and out-of-state placements for non-minors is expanding rapidly, along with the cost for monthly in-person visitation. With a growing number of out-of-state and far out-of-county placements, worker safety concerns and steep costs associated with travel have come to the forefront of case management, as monthly visits with these non-minors directly competes with each Social Worker's time and attention available to serve minor dependents and their families. Currently, when a youth relocates far out of

county or to another state, the assigned social worker's responsibility to provide ongoing case management and monthly visitation presents a unique set of worker-related safety issues: workers who drive long distances out of county or out of state are at added risk for exhaustion-related traffic accidents since they are driving in unfamiliar, sometimes difficult to navigate territory; workers also face the added stresses related to making travel, hotel, rental car and other arrangements, driving unfamiliar vehicles in unfamiliar areas without adequate knowledge of area-specific safety concerns.

Our challenge is the time and cost to travel out of state on a monthly basis, especially with social workers having to front the costs. It would be helpful if we had legislation addressing reciprocity amongst states somewhat like the Interstate Compact Agreement (ICPC), which allows us to contract with the other state to provide the oversight of foster care cases, however, that does not exist for non-minor dependents as all states do not have the same programs in place.

Aging and Adult Services Reorganization

In-Home Supportive Services (IHSS), Adult Protective Services (APS), the Area Agency on Aging (AAA), Information and Assistance, General Assistance (GA), and the IHSS Public Authority comprise the major programs in this bureau, all of which suffered significant impacts during the recession. The recovery in staffing and in efficient service delivery has been slow and unfocused. We are now pursuing a major reorganization in the bureau to restore the integrated service system that was so successful in the past and gave Contra Costa County the reputation as one of the "best practice" counties in the State. Elder abuse, self-neglect, and victimization of dependent adults have been increasing in the county yet many in the community do not make reports to APS as they are legally required to do. The GA program is always under the microscope of various legal advocacy organizations, and over the past year some have pointed out gaps in GA systems and processes. Lawsuits are always a considered a risk in this program and prudent action is required to update our policies and practices. IHSS applications are backlogged as are the annual reassessments of need. A tragic event in this program as a direct result of the business processes have escalated the sense of urgency to reorganize and re-establish well defined and efficient systems. Major new mandates will challenge the IHSS staff in the next year, and, continuing collaboration with the health systems in establishing care coordination services will require strategic efforts and expert leadership.

The bureau staff are dedicated and committed to their mission. They have shown the readiness for change and for building a path to a new future for Aging and Adult Services.

CSB Head Start Facing a Facilities Crisis

Community Services continues to be challenged by the lack of facilities space and adequate funding to renovate and repair potential space for childcare. This is the second year that the State Department of Education has released a call for the expansion of preschool slots for which Community Services has not been able to apply due to lack of space. Partners such as the Housing Authority and the school districts, that at one time provided childcare space, no longer have the space available due to lack of funding and the expansion of Transitional Kindergarten.

This coupled with the fact that ACF (Administration for Children and Families) has not released quality improvement funds since 2002 and the State Department of Education, since 2013, has not released Facilities Renovation and Repair grant funding, has forced CSB to seek space that is childcare ready – something that is not readily available in this county.

CSB traditionally has strategically partnered throughout the county with quality providers who have existing space to ensure Head Start services are available in the neediest areas; however, our partners are also experiencing their own facilities struggles. CSB's largest childcare partner, Antioch Kid's Club, which housed more than 200 of CSB's childcare slots, was forced to close its doors in July due to the loss of their facility to the Antioch School District.

Community Services' current centers are aging, and due to several years of budget reductions and deferred maintenance, CSB spent nearly \$800,000 in facilities repairs in the 2014-15 school year using dollars received through the E-Rate Technology grant. Current advocacy efforts at the State and Federal levels include advocating for facilities grant dollars to build and renovate space.

Developing a Results-Oriented Organization

EHSD is "data rich but information poor". Our department programs are supported by a variety of complex technologies and systems that gather reams of data – about our customers, about our processes, about our performance. Unfortunately, during the recession EHSD lost much of its capability to access and report some of our data that we should be using to guide our strategic thinking and decision-making. We are struggling to rebuild the lost infrastructure in IT, and to develop and train critical thinking skills in our newer analyst staff.

One of the initiatives that we are pursuing is a partnership with Santa Clara County Social Services Agency to join their data warehouse. It provides detailed information about customers of the public benefits programs as well as child welfare families. EHSD will access our data from the same computer systems and programs using their data architecture. This will allow us to have considerably greater access to data in our systems in ways that enhance our understanding of what is happening to the people we serve. While this is an excellent opportunity, it is also a major challenge and will require significant EHSD resources from IT, Policy & Planning and program staff. We will dedicate these resources and will be prepared to provide enhanced information to stakeholders in the coming year.