Control Section 4.10
Reductions By Program

**Org. Code:** 4100

**Department:** State Council on Developmental Disabilities

## How was reduction implemented?

Several vacant positions were eliminated.

## What was the actual effect of this reduction?

Four vacant positions within the Council's local offices were eliminated forcing the Council to use a variety of methods, some innovative and some standard, to continue providing services.

As an example, elimination of a position stationed at the Sierra Vista Community Facility resulted in a new opportunity for other Council staff stationed at the facility. One of the functions performed by staff in the Council's local office program is providing advocacy services for individuals with developmental disabilities who reside in developmental centers and state hospitals. Through an interagency agreement with the Department of Developmental Services, Council staff maintains offices at Agnews, Fairview, Lanterman, Porterville and Sonoma Developmental Centers; and, Sierra Vista and Canyon Springs Community Facilities to provide advocacy services (also known as the Volunteer Advocacy Services [VAS] project). The Council realized it was necessary to eliminate an existing vacancy at Sierra Vista, due to the lack of available funding for salary and benefit increases. After elimination of the position, a staff member working as support staff (clerical) was offered an opportunity for a training and development assignment performing the activities required by the VAS interagency agreement with the ultimate goal of advancing to the professional level (Community Program Specialist).

In other offices, existing staff working in part-time positions began working more hours to absorb the workload.

Department Director Approval: Cynthia Fair Date: 3/12/04

Agency Secretary Approval: Judy McDonald Date: 3/12/04

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4120

**Department:** Emergency Medical Services Authority

**Reduction:** One Office Technician position belonging to the Disaster Medical Services Division was eliminated.

**Funds**: The position was totally SGF supported. **PY(s):** 1.0 PY eliminated

# How was reduction implemented?

The one permanent clerical support position in the Disaster Medical Services Division was eliminated.

# What was the actual effect of this reduction?

The Disaster Medical Services Division no longer has a clerical support position. Duties of this position included:

- providing clerical support for the Chief, DMS Division and other division staff members,
- Routing phone messages, including important disaster response calls, to staff,
- Preparing correspondence, complex reports and memorandums,
- Maintaining division staff calendars, creating spreadsheets, graphs, tables, and slides as needed,
- Maintaining division files, both electronic and paper copies, performing inventory and purging files annually in preparation for EMSA records retention requirement,
- Making travel arrangements for division staff, and coordinating room and equipment reservations for conferences and meetings, and
- Providing clerical support for the medical response efforts in a disaster.

Critical clerical duties are performed by various staff members in the unit.

Department Director Approval: _____ Date: 3/19/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4120

**Department:** Emergency Medical Services Authority

**Reduction:** Reduction of Time Base of Business Services Analyst to .9 PY

**Funds**: Position Costs are spread to all EMSA Funds **PY(s):** 1.0 PY Reduced to .9 PY

# How was reduction implemented?

EMSA asked for staff volunteers to cut their time base to make up an additional .2 PY cut requested by the DOF. The Business Services Analyst volunteered to cut her time-base to .9 PY.

# What was the actual effect of this reduction?

No significant effect. Some redirection of assignments was necessary; however, all mandated functions are being performed. Some delays in completion of reports, projects, or assignments have occurred.

Department Director Approval: _____ Date: 3/19/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4120

**Department:** Emergency Medical Services Authority

**Reduction:** Reduction of Time Base of Personnel Analyst to .9 PY

**Funds**: Position Costs are spread to all EMSA Funds **PY(s):** 1.0 PY Reduced to .9 PY

# How was reduction implemented?

EMSA asked for staff volunteers to cut their time base to make up an additional .2 PY cut requested by the DOF. The Personnel Analyst volunteered to cut her time-base to .9 PY.

# What was the actual effect of this reduction?

No significant effect. Some redirection of assignments was necessary; however, all mandated functions are being performed. Some delays in completion of reports, projects, or assignments have occurred.

Department Director Approval: _____ Date: 3/19/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
ATTACHMENT 1

Control Section 4.10
Reductions By Program

**Org. Code:** 4120

**Department:** Emergency Medical Services Authority

**Reduction:** Reduction of Time Base of the EMS Division Chief to .9 PY

**Funds:** SGF Supported Position **PY(s)**: 1.0 PY Reduced to .9 PY

**HOW WAS REDUCTION IMPLEMENTED?**

When it became apparent that there would have to be reductions in staff time in order to reach the total SGF cuts requested, the EMS Division Chief volunteered to cut her time base from 1 PY to .9 PY.

**WHAT WAS THE ACTUAL EFFECT OF THIS REDUCTION?**

No significant effect. Some redirection of assignments was necessary; however, all mandated functions are being performed. Some delays in completion of reports, projects, or assignments have occurred.

Department Director Approval: Daniel R. Smith Date: 3/19/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions by Program

## Org. Code: 4130

## Department: Health and Human Services Data Center (HHSDC)

The HHSDC, one of the State's three consolidated data centers, provides the Agency's various departments Electronic Data Processing (EDP) capacity by using shared, centralized resources to minimize equipment and staff duplication. The central processors and peripheral equipment operate 24 hours a day, 7 days a week. Telecommunications network and software support services also are furnished. The HHSDC assists the Agency in identifying potential EDP-related applications and recommending policies on the appropriate use of EDP among client departments. In addition, HHSDC provides project management and oversight on behalf of the Department of Social Services (DSS) for its many large information technology projects. HHSDC costs are reimbursed by service users.

### How was reduction implemented?

The HHSDC implemented the reduction plan by making existing vacant positions that were lost as a result of the vacancy sweep be the total position authority counted towards the reduction.

### What was the actual effect of this reduction?

The HHSDC lost 32 out of a total of 457 positions, which impacted different areas of the department. The Operations area within the department lost 14 positions, and the Automated Projects lost 18 positions.

### Automated Projects

### Interim Statewide Automated Welfare System (ISAWS)

The Interim Statewide Automated Welfare System (ISAWS) project lost 5 positions, all at the Staff Information Systems Analyst level.

- ISAWS has just transitioned to a new maintenance vendor and is implementing a number of improved quality assurance and vendor oversight measures. The loss of three of the positions increases the risk of releasing flawed code into production and delays code changes/fixes resulting in program compliance issues/inaccurate benefits.

- During the calendar year 2002, 108 issues were identified as defects in newly introduced code. During 2003, 133 issues were identified as defects, a 23 percent increase. More significantly, from January 1 through March 16, 2003, 19 such issues were identified. During the same period in 2004, 24 issues have been identified, an increase of 32 percent. The loss of these positions has impacted our ability to fully develop complete roles, responsibilities, processes and procedures for the Project's Quality Assurance group, contributing significantly to the increase in defect issues. In addition, as a result of losing these positions, standard project documentation (e.g. Project Management Plan, Contract Management Plan and Risk Management) is incomplete or non-existent. In recognizing the criticality of this function, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

- The loss of one position reduced the ability to prepare a variety of project analyses and retrieve data used in decision-making and stakeholder reporting for the ISAWS Consortium. The Project has been unable to effectively prioritize system changes, and expenditure tracking and invoice review have been hampered by our inability to create methods for data capture and reporting. This has decreased our ability to conduct thorough contract management and in underpayment to the contractor. In recognizing the criticality of this function, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

- The loss of one position reduces the ability to effect Remedy application changes resulting in system down time and preventing communication with the 35 ISAWS counties. Remedy is a project tool that tracks and monitors application change requests. Since July 1, 2003, Remedy has experienced five occurrences of down-time, each approximately six hours in duration. During these outages, users were unable to report system issues and the Project was unable to properly communicate timely outage information with the counties causing dissatisfaction among counties. It is not known what the impact to the county workload has been, although it is assumed that delay in performance of their work would occur. In recognizing the criticality of this function, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

ISAWS Managers have increased workloads in an attempt to compensate for lost positions and shifted some workload to contractor staff. However, by assuming additional workload, the managers' change in focus has impacted their ability to conduct thorough vendor oversight and contract management and has also resulted in the following:

- Reduced time to mentor and train staff (State, MSA and vendor staff).
- Reduced ability to respond to requests related to process improvement.
- Reduced ability to review documents timely.

- Reduced ability to provide vendor oversight (minimized meeting attendance, minimized performance review).

This has resulted in the contractor independently initiating activities which have had to be subsequently corrected by the state. In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## The Child Welfare Services/Case Management System (CWS/CMS)

CWS/CMS lost three positions with the following effects:

- Staff Information Systems Specialist (SISA), Application Support - This position functions as a leadperson and the technical specialist responsible for testing system changes to the Child Welfare Service/Case Management System (CWS/CMS) application. The person in this position also leads efforts in producing proposed system change documentation, System Change Requests (SCR's) and Work Orders (WO's). The reduction has caused the CWS/CMS State project personnel to reduce direct participation in CWS/CMS testing, with activities shifting more toward monitoring and oversight rather than hands on execution. Lead activities in system change documentation has shifted to the supervisor of this position, the Application Support Manager, necessitating frequent unpaid overtime work. As system changes are approved the Application Support Manager is unable to maintain the required quality or quantity of work products. This has not resulted in system defects thus far. Should significant system defects begin to occur, the Department will explore alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

- Associate Information Systems Specialist (AISA), Application Support - This position functions as a technical specialist responsible for testing system changes and producing documentation of proposed system changes for the Child Welfare Service/Case Management System (CWS/CMS) under the supervision of the SISA. As with the SISA position, the reduction has caused the CWS/CMS State project personnel to reduce direct participation in CWS/CMS testing, with activities shifting more toward monitoring and oversight rather than hands on execution, with the same negative effect described above. Again, should significant system defects begin to occur, the Department will explore alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

- Associate Information Systems Specialist (AISA), Application Delivery - System Support Consultant (SSC). SSC's provide professional and individualized service and support to users in each of California's 58 counties. There is no federal mandate to use CWS/CMS, statewide, however, maintaining 50% percent Federal Funding is contingent upon all 58 counties using CWS/CMS. A key role of the SSC is to ensure that each county continues to effectively utilize

CWS/CMS. Elimination of this SSC position has reduced the time for the remaining SSC's to spend supporting counties. This, in turn, has delayed response to counties requests for system use assistance. Lack of assistance may result in reduced county use of CWS/CMS. This would result in a lack of centralized data to ensure timely actions being taken to protect a child. In order to reduce delays, SSC's have been working paid overtime, attempting to reduce the effects of the lost position. In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## Statewide Automated Welfare System (SAWS)

SAWS lost one Staff Information Systems Analyst position from its oversight organization, which provides oversight to consortia projects. They are as follows:

- It has significantly reduced the ability to provide state level project management and risk mitigation for the SAWS Consortium (C-IV) and ISAWS Consortium Projects. When the position was lost, the ISAWS Consortium Liaison assumed both ISAWS Consortium and C-IV duties, but is now solely dedicated to oversight of the C-IV project. Early risk identification and mitigation with the ISAWS Consortium project will continue to be hindered until the lost position has been restored, or until additional consultants are acquired to help support this critical area. There will be reduced oversight of the ISAWS Consortium Project activities until the position is replaced. In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## The Systems Integration Division (SID)

The SID lost one Systems Software Specialist III position that was responsible for the overall management of the division's best practices efforts, which are a continuous improvement effort to ensure quality project management methods, are consistently employed across the organization. Effect of the position loss has been minimal as the position's duties have been redistributed amongst existing staff and there has been no loss of function.

## The Statewide Fingerprint Imaging System (SFIS)

The SFIS project lost all eight positions associated with the project. The Department of Finance (DOF) has allowed the HHSDC to administratively re-establish these positions, while the Department permanently reestablishes them through the budget process. If the positions are not funded, the state will not have staff for project vendor oversight and contract management and be unable to perform all duties associated with those key responsibilities.

## Operations

While the workload of the data center has continued to increase at a regular pace, an increase in staff has not occurred for several years. This has resulted in the data center's inability to maintain existing and expected levels of support for its customers. This is particularly evident in the server and network areas.

The server support group should be conservatively staffed at a ratio of 1 staff to 25 servers. However, that staffing ratio is currently 1 staff to approximately 55 servers. This has eliminated the ability of the data center to establish security patches within acceptable timeframes opening the data center to potential security incidents. The data center is without resources to assist its customers with maintaining security on their devices. This raises the potential for a major compromise of some of the state's most critical data dealing with health and human services recipients.

The data center is currently developing an organizational plan to redirect resources as available to its most critical service areas. Should any further reductions in data center positions occur the data center will be unable to address the shortages in staffing in its sensitive customer support areas.

In terms of maintaining the integrity of the network, the data center has been unable to keep up on the technology that supports network performance, reliability, and new features for security.

Concerning the Women, Infant and Children (WIC) Project in particular, we are behind in the project to update the network technology supporting the WIC clients and case workers.

Further reductions in this area will negatively impact the following efforts:

- Rollout of network for CCSAS (new Child Support project) will be slowed and delayed.
- Migration of more counties to the CASEs application via the network will be slowed and delayed.
- Hiring contractors to perform network installations for these and other projects, at greater expense to the state.

Further erosion in this area will result in having to adjust service level commitments to customers, and re-prioritize network maintenance tasks, leaving some things undone and hoping for the best. Again, adequate security within the network which is the first line of defense can suffer when the network devices and software are not at the most current levels. Due to recent, increased network attacks, we've had to apply security updates to 1200+ routers throughout the state. This is an enormous task with fewer staff and resulted in disparate levels of software throughout the network being behind on maintenance.

The effects of the reductions within Operations were as follows:

## Senior Information Systems Analyst, Staff Information Systems Analyst, Computer Operator (2), Data Processing Manager III

- The Senior Information Systems Analyst was to be redirected to the server support area from customer Project Management support activities and Internet support.

- The elimination of the two Computer Operators and the Staff Information Systems Analyst has further exacerbated the problems in the server support area. The Computer Operators were considered surplus due to the implementation of improved technology in the computer room which automated much of tape operations. As a result, these two positions were slated for reclassification and redirection to the highly impacted server support area.

- Eliminated the manager position over the mid-range/server support area. This change required that we redirect staff from another area of the organization. The span of control of the new manager increased from 13 staff to 40 staff working in very technical areas and supporting critical statewide infrastructure and systems implementation of statewide applications.

- The consequences of all these positions being lost are that an opportunity to shore up a critical and vulnerable area that is grossly understaffed was lost. To continue to maintain a minimal level of service in the server support area, four contract staff were hired at a cost of more than $300,000 per year. In addition, systems supporting major departments continue to receive less than adequate support for systems that are critical to the neediest people of the State of California.

  Delays of 6 months to current have been experienced in maintaining infrastructure. For example, the upgrade of old Windows based servers has been delayed four months already and will be further delayed before it is completed. The old server software will be unsupported as of December 31, 2004. This software was originally scheduled to go out of support on December 31, 2003, but that date has been extended. This leaves the older machines more vulnerable to unauthorized access for longer period of time than those that have been upgraded to new versions of the operating system. In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## Senior Programmer Analyst and Staff Programmer Analyst

- Billing and cost recovery system maintenance has been delayed by not having sufficient resources. This has caused a higher level of errors in HHSDC billing systems (corrections needed on approximately 20 percent of the monthly bills). The customer accounting staff, data center billing staff and application support staff has spent many extra hours fixing the problems. This causes additional work load which creates longer delays in program changes and hiring consultants to program high priority changes. Enhancing the systems for billing new services is also taking much longer, going from 4 weeks to 8 weeks. This has caused delays to our customers waiting for these new services. Beyond causing additional staff hours for the data center and customers, approximately $50,000 in consulting has been used to keep these systems running. In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## Associate Information Systems Analyst

- This vacancy has caused increased time (from weeks to months/years in some cases) to deliver system upgrades, software installation and configuration of new equipment. Some activities are not being done at all. Examples of some of the impacts are listed below.

    - Example: Special equipment printer being used in Human Resources for the SCO CLAS system doesn't work correctly and the problem resolution has continued for over a year.
      Impact: Human Resource staff has to use a manual process which uses many hours of staff time and results in delay of examinations to acquire critical technical personnel.

    - Example: Installation of additional memory for a special application took six months instead of meeting our service level of 6 weeks.
      Impact: Computer equipment could not be installed until the application was available which delayed customer projects.

  In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## Associate Budget Analyst

- The workload of this position has been absorbed by existing staff. However, peak workload has required intermittent overtime.

## Senior Accounting Officer Supervisor and Accounting Technician

- The workload of these two positions has been absorbed by existing staff. However, peak workload has required overtime averaging 10-15 hours per week. Development of written desk procedures has been indefinitely postponed.

## Senior Information Systems Analyst (Telecom)

- The swept position was intended for re-direction to the Network Operations Center (NOC) which is in desperate need of more staff. This group also functions as the Help Desk and is the first point of contact. Loss of this position has required re-direction of off-shift NOC staff to day-shift to handle the increased workload. The number of calls and problem tickets being worked by staff has increased by 30 percent in the last year due to network growth and applications deployment. There are several consequences to this position loss. Hold time for customers calling in has increased, and the number of callers getting voice mail because all staff are busy has increased from 4 percent to 9 percent. Mean time to identify, resolve, or route problems has increased by approximately 15 percent. The off-shift was previously responsible for cleaning up all outstanding issues from the day. They are no longer able to complete this, adding to the workload of the day-shift and delayed services to customers. In recognizing the criticality of these functions, the Department is exploring alternatives to mitigate any negative impact. This may include reprioritization and redirection of staff and/or workload.

## Office Technician (Typing)

- The loss of the OT position in the Planning & Consulting Division resulted in allocating the existing clerical workload to other staff members. Those tasks associated with attendance, travel coordination, supply maintenance, etc. were moved to the Deputy Director's secretary. Those tasks associated with clerical support for technical and professional staff, such as meeting management, correspondence, copying, technical documentation maintenance, phone & customer contact coordination, etc. were distributed to each professional and management staff member.

## Career Executive Assignment

- Eliminates the availability of legal counsel specifically knowledgeable in data center and information technology issues and contracting practices. Required

contracting with the Attorney General's Office for legal services and with the Department of General Services for contract reviews. This has resulted in an approximately 50 percent increase in cost for legal services.

Department

Chief Deputy Director Approval: Bob Aust. Date: 3/18/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development

**Describe program responsibilities:**
Legal Office - Provides legal support services to the programs of the Office of Statewide Health Planning and Development to minimize legal technical liabilities or delays. Services include: formal and informal advice to executive management, represents OSHPD in administrative forums, legal document preparation and review, such as subpoenas and depositions, serves as liaison with the attorney general, and reviews all legislative bill analyses, administers the penalty program for health facilities late submission of various reports.

**How was reduction implemented?**

Reduction was implemented by eliminating a Senior Legal Typist Position.

**What was the actual effect of this reduction?**

There was no impact on the Legal Office because workload was absorbed by existing staff.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

# Control Section 4.10
# Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development

**Describe program responsibilities:**
Administrative Services - Serves as the center of administrative services for the Office; contains the Accounting Office, Budget Office, Business Services and Contracts Unit, Human Resources Office. The Accounting Office administers the disbursement of state operations, local assistance, and federal funding, maintains accounting records, and prepares necessary state and federal financial reports. The Budget Office develops and administers the Department's annual budget, provides expenditure projections and initiates corrective action for projected shortfalls. The Contracts Office reviews, approves and processes short-term and long-term contracts to ensure compliance with Public Contract Code and Government Code requirements. Business Services coordinates facilities management, purchasing and space management needs of the Department, handles mail and messenger services, and arranges for communication services. Human resources provides services related to recruitment, classification, selection, and placement of personnel. Coordinates all formal disciplinary actions and processes all classifications and pay documentation for the department, and maintains supporting personnel records and files.

**How was reduction implemented?**
Accountant I – Vacancy Loss

**What was the actual effect of this reduction?**
The Accountant I position primary duties are to facilitate collection of Hospital Building Fund (HBF) invoices over 120 days past due. As of July 31, 2003 OSHPD had 71 HBF invoices over 120 days past due totaling $717,895.00. Since July, this number has grown to 92 invoices for a total of $1,021,616.99.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

# Control Section 4.10
# Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development

Healthcare Workforce and Community Development Division (HWCDD)

**Describe program responsibilities:** California Shortage Area Medical Matching Program (CalSAMMP). CalSAMMP recruited and placed approximately 40 healthcare providers annually in California's most needy communities and areas of unmet healthcare need.

**How was reduction implemented?** 1.0 AGPA position eliminated.

**What was the actual effect of this reduction?**

This program was previously funded by a three-year $600,000 grant from The California Endowment. There were five staff members dedicated to the three-year pilot programs: two FTEs for CalSAMMP and three for the Shortage Area Medical Education and Training (SAMET) program. Three of these staff were limited-term employees and two were permanent FTEs.

Following the end of this program, an AGPA position was re-directed to perform the most critical program activities. With the elimination of this AGPA position, our ability to assist with the placement of healthcare providers in California's most needy communities and areas of unmet healthcare has been adversely impacted. In response to this, the division has since undergone a redesign to better provide a full continuum of services while effectively utilizing our existing staff resources.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

# Control Section 4.10
# Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development

**Describe program responsibilities:** Federal Cooperative Agreement

The Primary Care Cooperative Agreement program is responsible for providing significant technical assistance to healthcare providers in medically underserved communities and making recommendations for federal designations of Health Professional Shortage Area (HPSA) and Medically Underserved Area/Population (MUA/P) to the Shortage Designation Branch within HRSA. These designations allow for enhanced benefits and reimbursement to healthcare providers. This program alone, through its shortage designation process, is responsible for enabling healthcare providers to bring approximately $500 million in federal and state funds into California annually.

The AGPA position has the primary responsibility within HWCDD and has the Geographic Information Systems and databases expertise to facilitate the designations. Also, this position has a critical impact on the program's effectiveness, continuity, and consistency of services. If we don't have this position, it will have an adverse impact on the Division's ability to facilitate and process the HPSA and MUA/P applications, which in turn decreases funds to healthcare stakeholders and access to healthcare for underserved populations.

**How was reduction implemented?** .3 AGPA position eliminated.

**What was the actual effect of this reduction?**

Impair our ability to use the Geographical Information System (GIS) and we'll lose some of our knowledge and experience to administer and manage GIS software and various database packages designed specifically for the federal Cooperative Agreement funded program activities.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

# Control Section 4.10
# Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development

**Describe program responsibilities:** Song Brown Program

The purpose of Song Brown is to increase the number of students and residents receiving quality education and training in the specialty of family practice. Family Practice physicians, osteopathic physicians, primary care physician's assistants and family nurse practitioners are trained to maximize the delivery of primary care services to California's underserved population. Song Brown funds are used to augment the trainings institutions' capacity to educate and train health professionals and provide clinical training for family practice providers that provide a substantial portion of the healthcare delivered to California's low income and uninsured populations. The Song Brown program is required to complete site visit evaluations of those funded training programs every two years. The site visits ensure contract compliance, adherence to Song Brown program standards, and provide on site technical assistance.

**How was reduction implemented?** 1.0 Associate Governmental Program Analyst position eliminated.

**What was the actual effect of this reduction?**

1. Required re-structuring of the duties of the remaining 2 staff to assume only the most critical and/or essential functions performed by the lost position of the Song-Brown Program.
2. The number of site visits has been reduced from twenty-six to only the ten most critical. These site visits ensure contract compliance, adherence to Song Brown program standards, and provide on site technical assistance.
3. The loss of the position has resulted in a maintenance approach toward technical assistance for program quality assurance and improvement.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

# Control Section 4.10
# Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development

**Describe program responsibilities:**

The Office of Statewide Health Planning and Development (OSHPD), Facilities Development Division (FDD) is responsible for the implementation of the Alfred E. Alquist Hospital Facilities Seismic Safety Act of 1983 (Alquist Act). The purpose of the Alquist Act is to consolidate health facilities construction plan review/inspection activities at the State level and to ensure a higher level of structural integrity of facilities statewide in terms of their ability to withstand seismic forces. A variety of professional staff, including architects, engineers of several classifications, fire marshals, inspectors and others collaborate in reviewing plans, inspecting facilities and approving occupancy.

**How was reduction implemented?**

Supervising Structural Engineer
Eliminated two Supervising Structural Engineer positions.
Incumbents were demoted to District Structural Engineers.

Senior Structural Engineer
Eliminated one Senior Structural Engineer position.

Compliance Officer
Eliminated one Compliance Officer position.

Management Services Technician
Eliminated one Management Services Technician position.

Office Assistant (Typing)
Eliminated one Office Assistant (Typing) position.

**What was the actual effect of this reduction?**

The position reductions resulted in delays in plan review and construction activities. The consequences of construction delays in the project approval process prevent hospitals from complying with seismic retrofit requirements on a timely basis, and can result in increased project costs.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

# Control Section 4.10
# Reductions By Program

**Org. Code:** 4140

**Department:** Office of Statewide Health Planning and Development, Healthcare Information Division

**Describe program responsibilities:** The Patient Discharge Data Section collects, edits and disseminates patient level data from all licensed hospitals through MIRCal – Medical Information Reporting for California – the legislatively mandated, Internet based reporting system for transmission of data on 4 million hospital inpatient discharges annually.

MIRCal is an Information Technology (IT) project (FSR No. 4140-14). Its second phase is in progress to meet an additional legislative mandate to collect 12 to 15 million Emergency Department (ED) encounters and Ambulatory Surgeries (AS).

**How was reduction implemented?**
One (1.0) Associate Government Program Analyst (AGPA) position was eliminated mid-2003. Position number was 560-5393-001 - MIRCal

**What was the actual effect of this reduction?**

The work of 13 analysts is no longer being as efficiently coordinated or reviewed. Fewer error analyses are being performed and healthcare facilities' data reporting problems are no longer addressed at the journey level. Other projects are experiencing delays of varying duration.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging - Ombudsman

The Ombudsman Program is responsible for receiving, investigating, and resolving complaints made by, or on behalf of, residents in Long-Term Care Facilities. These facilities include Skilled Nursing Facilities, Intermediate Care Facilities, and Residential Care Facilities throughout the State. The State Office of the Long-Term Care Ombudsman provides direction, oversight and day-to-day technical assistance to support 35 local Ombudsman Programs throughout the State that utilize certified volunteers who also function as mandatory reporters of elder abuse. The Office oversees and operates the 24-hour Ombudsman CRISISline.

## How was reduction implemented?

We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred, or demoted in lieu of layoff.

## What was the Actual effect of this reduction?

We had 1.0 position reduced in this program. Staffing reductions have resulted in delays in development of a State monitoring tool for AAAs, delays in initiating work on a Statewide Volunteer Ombudsman Recruitment campaign, delays in monitoring and providing technical assistance for AAAs, and delays in bill analyses including amendments and Enrolled Bill Reports.

Department Director Approval: Lynda Terry Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging - Administration

The Administration Program provides leadership and general administrative services required for the efficient operations of the Department's programs. These services include human resources, training, legal, legislative affairs, public information, budgeting, accounting, auditing, information technology, contract, business services, and conference planning.

## How was reduction implemented?

We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred or demoted in lieu of layoff.

## What was the actual effect of this reduction?

We had 5.0 positions reduced in this program with the following effects:

- Most essential duties associated with the Department's federal data reporting system have been reassigned to other information technology staff.
- Property management requirements of the State Administrative Manual have become backlogged by 40%.
- Clerical support has been reduced.
- CALSTARS accounting filing, maintenance of various logs, and reconciliation with the State Controller's records have been reassigned to remaining accounting staff.
- To reduce operating costs, the Department relocated all staff from our second building back to our headquarters building at 1600 K Street (staff reductions created additional space at headquarters).

Department Director Approval: Lynda Terry Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging - ADHC

The Adult Day Health Care (ADHC) Team administers the statewide ADHC Program which services are provided to frail elderly and physically or mentally impaired adults (18 years of age and older) in a day care setting. ADHC provides a variety of health, therapeutic, rehabilitative, and social services for persons who are at risk of being placed in a nursing home. Medi-Cal, private payers, and third-party payers, as well as, grants and donations fund services. The Branch provides general program administration and certifies centers, and the Department of Health Services (DHS) licenses the centers.

## How was reduction implemented?

We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred or demoted in lieu of layoff.

## What was the actual effect of this reduction?

We had 2.0 positions reduced in this program, with the following effects:

- Regular monitoring activities – The Department now has minimal contact with the existing providers beyond the survey process.
- Non-mandated surveys - First quarter visits to new centers have been eliminated unless there are early indicators of serious problems.
- Technical assistance and training – The Department is unable to maintain contact with and provide technical assistance to new centers during their critical start-up phase. Technical assistance overall has been significantly reduced.
- Report timeliness – Providing written survey reports to ADHCs are taking longer, often taking a month vs. the internal standard of 10 working days.
- Plan of correction reviews – CDA's timely response to plans of correction submitted by ADHCs is increasing.
- Certification renewal timeliness – CDA is granting more certification extensions to accommodate CDA's inability to perform re-certifications in a timely manner.

Department Director Approval: Lynda Terry Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging - Audits

The Audit Branch conducts audits or audit resolutions (including Medi-Cal audits of Adult Day Health Care (ADHC) centers) of departmental contractors and grantees for fiscal and compliance issues. The Branch provides technical assistance to departmental programs and grantees on federal and State compliance issues.

## How was reduction implemented?

We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred, or demoted in lieu of layoff.

## What was the actual effect of this reduction?

We had 2.0 positions reduced in this program area, with the following effects:

- The Department implemented a 4-year Area Agency on Aging audit cycle instead of the previous 3-year cycle. For FY 02-03, the Department was cited by BSA for non-compliance with sub recipient monitoring requirements.
- The Department now lacks the resources to complete desk reviews and field audits of ADHCs. The Department would normally have performed up to 70 reviews to date, but has been redirected to address higher risk issues.

Department Director Approval: Lynda Terry Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

**BL 04-03**
**Attachment I**

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging – AAA Based Teams

The AAA Based Teams provide overall program administration to programs authorized by the Older Americans Act (with the exception of Ombudsman) and the Older Californians Act.

## How was reduction implemented?

We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred or demoted in lieu of layoff.

## What was the actual effect of this reduction?

We had 5.0 positions reduced in this program area with the following effects:

- Decreased clerical support.
- One of three existing teams responsible for programs administered by Agencies on Aging was eliminated.
- Staffing reductions require remaining professional staff to absorb additional AAA oversight responsibilities and the remaining two supervisors to absorb additional staff and programmatic responsibilities.
- Reduced professional staff will result in a shift from a two-year to a three-year on-site AAA monitoring cycle.
- No longer had the capacity to administer the Senior Farmer's Market Grant Program (lead responsibility redirected to Office of Public Affairs).

Department Director Approval: Lynda Terry Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

**BL 04-03**
**Attachment I**

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging – Director's Office

The Director's Office includes the Office of Public Affairs and Community Relations. The mission of the Office of Public Affairs is to communicate the essence and objectives of the Department's programs to the public, the media, and the Department's external partners. The Office also administers the StayWell Program, which encourages older adult health promotion, administers the statewide toll-free information and assistance telephone number that links consumers to their local Area Agency on Aging, and administers the Senior Farmer's Market Nutrition Program for the State.

How was reduction implemented? We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred or demoted in-lieu of layoff.

What was the actual effect of this reduction? We had 2.0 positions reduced in this program area. The Office of Public Affairs and Community Relations lost its two clerical support staff. These functions have been redirected to the Director's Office support staff. The Assistant Director of Community Relations has been redirected to administer the Senior Farmer's Market and the toll-free telephone referral system, eliminating her ability to participate in a variety of large State and regional level public forums that provided information on aging, caregiver and community services.

Department Director Approval: Lynda Terry Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

**BL 04-03**
**Attachment I**

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** 4170

**Department:** Aging - MSSP

The Multipurpose Senior Services Program (MSSP) Team is responsible for administering the MSSP, which provides case management services for frail elderly clients who are certifiable for placement in a nursing home but wish to remain in their community. The goal of the Program is to arrange for, and monitor the use of, community services to prevent or delay institutionalization. The Team monitors and provides technical assistance to sites and maintains the data system necessary to comply with federal reporting requirements.

## How was reduction implemented?

We developed an approved layoff plan, determined seniority scores, and issued surplus notices to impacted staff. Staff retired, transferred, or demoted in-lieu of layoff.

## What was the actual effect of this reduction?

We had 1.0 position reduced in this program. We lost one of the three registered nurses responsible for verifying nursing home level of care eligibility at local sites; clinical program monitoring and resolution of nursing issues identified in local program monitoring visits. Because MSSP has had previous federal audit findings that it was not meeting federal waiver oversight requirements, CDA has requested that DHS Medi-Cal wavier unit nurses perform half of the MSSP client nursing home level of care verifications when they are visiting local programs in their waiver oversight role as the Single State Medicaid Agency. (A second nurse position is currently vacant and a freeze exemption has not been approved.)

Department Director Approval: [signature] Date: 3-18-04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4180

**Agency: California Commission on Aging**

# How was reduction implemented?

A staffing reduction was made by eliminating one part-time retired annuitant position, and reducing the number of hours for a second part-time retired annuitant position.

# What was the actual effect of this reduction?

Severe – Being an agency of only four (4) full time positions with the support of a retired annuitant position to administer three (3) statewide organizations is daunting. Volunteer members of the California Senior Legislature (CSL), which was most directly impacted by the elimination of the retired annuitant position, have had to assume responsibility for many of the duties carried out by the paid staff position. The result is a decline in quality of operations and effectiveness of our three organizations, the California Commission on Aging (CCoA), Triple A Council of California (TACC), and the California Senior Legislature (CSL).

Agency Approval:

Date: March 2, 2004

RCM-3/2/04;BudgetReductionImpact3204.gen

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Distributed Administration**

**Org. Code:** **4200**

**Department:** **Alcohol and Drug Programs**

# How was reduction implemented?

Six of the eight positions were vacant when Control Section 4.10 was implemented. The Department had two vacancies at equivalent levels allowing for the transfer of the two staff, thereby avoiding layoffs. The eight reduced positions were from a total of 97.

- The loss of the position in the Executive Office resulted in a 50% reduction in analytical resources in the Office.
- The loss of the three positions in the Information Management Services Division represents a 33% reduction in management resources and a 9% reduction in professional resources.
- The loss of one position in the Accounting Office represents an 8% reduction in resources.
- The loss of two positions in the Business Services Section, a reduction of 22% of the Section's resources, eliminated the Department's only Property Controller position and the Section's only support resource.
- The loss of one position in the Human Resources Branch resulted in a 20% reduction in clerical resources.

# What was the actual effect of this reduction?

EXECUTIVE OFFICE

The loss of one position in the Executive Office will hinder ADP's effort to:

- Monitor the Department's Strategic Plan and associated performance measures (program and policy);

- Coordinate the development of materials for state and federal control agencies, the Legislature, and constituent groups, and

- Monitor implementation of the federal prevention and treatment Performance Partnership Grant (PPG) requirements.

INFORMATION MANAGEMENT SERVICES DIVISION

The loss of three positions in the Information Management Services Division (IMSD) has had an impact on IMSD's ability to provide technology support to ADP staff and stakeholders.

- The loss of a single position in EDP Operartions has resulted in the 3 remaining full time staff having to share an additional overtime load of 40 hours per month to maintain a minimal level of service.

- Work on some projects has suffered delays. For example, the Enterprise System Upgrade project, designed to bring ADP into compliance with HIPAA compliance and IT Industry security standards, is still in progress, however, the roll out date has been delayed for a minimum of eight months from the original projection due to the work load issues. This means that ADP's exposure to a higher than acceptable level of risk to its network and data will continue during this delay.

ACCOUNTING OFFICE

The loss of one position has required other Accounting Office staff to assume additional responsibilities, resulting in a loss of timeliness and accuracy of accounting activities. For example:

- The position responsible for federal cash reconciliations and grant disbursements has taken on loan processing, loan write offs, accounts receivable reconciliations, and collection of past due accounts. As a result, federal cash reconciliations have been up to three months past due, grant disbursements have been delayed and collection activities are scheduled only every 45 days, rather than the 30 days as required by the State Administrative Manual.

- Recording cash receipts has been assigned to a position responsible for support contract payments. This has caused delays in contract payments resulting in late payment penalties and, in other cases, vendor overpayments due to inadequate review time of invoices presented for payment.

- The position responsible for disbursing county payments assumed responsibility for recording employee timesheets for personal services costs. This has caused some delays in county and provider payments and reconciling Drug MediCal subsystems to the general ledger.

## BUSINESS SERVICES SECTION

The loss of the Property Clerk position has resulted in the elimination of ADP's sole position dedicated to performing administrative controls for ADP's fixed assets. As a result, timely inventories of ADP's equipment will not occur. The loss of this position also created a situation where the checks and balances in the procurement function may not be met resulting in potential audit findings.

The loss of the Office Technician position resulted in the elimination of the only clerical support position in the section. As a result, clerical functions must now be performed by non-clerical staff causing delays of building maintenance, commodity purchases and preparation of mandated reports.

## HUMAN RESOURCES BRANCH

The loss of one position has caused delays in reporting, reconciling and maintaining attendance records. In a recent audit, the Department was cited for not being able to readily access attendance documents that were not filed. Additionally, this loss has necessitated the remaining support and transactions staff to incur overtime to ensure the accuracy of the monthly attendance/payroll records.

Department Director Approval: Kathryn P. Jett Date: 3/22/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**HIPAA**

**Org. Code:** **4200**

**Department:** **Alcohol and Drug Programs**

# How was reduction implemented?

The position in the Office of Applied Research and Analysis was vacant when Control Section 4.10 was implemented. This represents a 20% reduction in resources available for the implementation of HIPAA.

# What was the actual effect of this reduction?

The loss of one position dedicated to ADP's HIPAA compliance efforts in the Office of Applied Research and Analysis is impacting the Department's ability to initiate and maintain alcohol and other drug (AOD) research projects and program evaluations requiring inter-departmental data acquisition as it relates to ADP's interaction with the State Institutional Review Board (Committee for the Protection of Human Subjects) and internal privacy boards maintained by other State departments. This position was intended to analyze current research, evaluation and business functions; identify where changes are required due to the new HIPAA rules governing Privacy and Confidentiality; and incorporate the new rules into business processes so that ADP can continue to meet its statutory mandates.

Without the position, ADP is at risk for not fully complying with the HIPAA requirements which impacts the timely execution and validity of current and future research and program evaluation projects. Failure to comply with HIPAA requirements could result in civil penalties levied against ADP.

Department Director Approval: Kathryn P. Jett Date: 3/22/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Proposition 36**

**Org. Code:** **4200**

**Department:** **Alcohol and Drug Programs**

# How was reduction implemented?

The two positions were vacant when Control Section 4.10 was implemented. The loss of an Associate Governmental Program Analyst represents a 9% reduction in resources available for analytical activities related to Proposition 36 and the loss of an Office Technician represents a 50% reduction in resources available for support activities related to Proposition 36. The two reduced positions were from a total of 13.

# What was the actual effect of this reduction?

The Associate Governmental Program Analyst (AGPA) and Office Technician (OT) positions played a role in administering and monitoring allocations to California's 58 counties. Without these two positions, ADP's ability to successfully carry out the functions of the Substance Abuse and Crime Prevention Act (SACPA) Program, in the Office of Criminal Justice Collaboration (OCJC), has been impeded.

Specifically, with the loss of the AGPA, the following program impacts are being realized:

- A decrease in ADP's ability to inform counties of ongoing programmatic and/or policy changes.

- Counties may receive from the State less monitoring and assistance to help ensure that county funds are being spent in compliance with the guidelines set forth in SACPA.
- Counties may receive less technical assistance from the State in order to submit valid County Plans.
- Counties are at risk of not receiving timely review and approval of their mandated annual County Plan, thus precluding their allocations being made in a timely manner, resulting in delay of payment to statewide treatment providers and other SACPA organizations.
- Inability to successfully contact collaborating agencies and stakeholder groups to identify and discuss issues relative to SACPA.
- A reduction in ADP's ability to produce timely reports needed to successfully manage ongoing administration of the Act, including those reports required in response to requests from the Governor, Legislature, and other stakeholders.
- An impact upon ADP's ability to appropriately and expeditiously respond to emerging issues.

Without the OT position, the workload assignments for 13 professional staff are currently being supported by one OT.

With the loss of this OT position, the professional staff are required to absorb some of the OT workload responsibilities, including:

- Preparing and proofreading letters, memos, and other correspondence.
- Organizing and inputting data to the SACPA Reporting Information System (SRIS) database.
- Accessing the SRIS database to track County submissions of annual and bi-annual reports, including the Annual Financial Status Report and Expenditure Report.
- Developing weekly updates of county report submission status for presentation to Executive Staff.
- Providing routine and complex technical information regarding program activities, procedures, and guidelines to public and governmental agency telephone inquiries.
- Providing assistance to callers requiring access to Web-based information.
- Assisting with database maintenance.

Finally, without OT support, mailings to SACPA Program stakeholders are delayed, resulting in a proportional delay in responses and an overall reduction in service to our clients.

Department Director Approval: Kathryn P. Jett Date: 3/22/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**AOD Treatment & Perinatal**

**Org. Code:** **4200**

**Department:** **Alcohol and Drug Programs**

# How was reduction implemented?

All 21 positions in AOD Treatment and Perinatal Programs listed below were vacant when Control Section 4.10 was implemented. The majority of these positions were purposely held vacant due to the proposed realignment in the FY 2003-04 Governor's Budget. The 21 reduced positions were from a total of 200.

- The loss of positions in the Narcotic Treatment Program Licensing Branch represents an 8% reduction in analytical resources and a 33% reduction in support resources.
- The loss of positions in the Residential and Outpatient Program Compliance Branch represents a 4% reduction in analytical resources and a 25% reduction in support resources.
- The loss of positions in the Driving Under the Influence Program Branch is the elimination of the only supervising manager and a 33% reduction in support resources.
- The loss of eight positions in the Drug Medi-Cal Program represents the following reductions:
  - 25% supervisory resources, 13% analytical resources, and 50% support resources in the Program and Fiscal Policy Branch;
  - 7% analytical resources and 50% support resources in the County Monitoring Branch; and
  - 50% support resources in the Fiscal Management and Accountability Branch.
- The loss of the support position represents a 100% reduction of support resources for Parolee Services activities.
- The loss of positions in the Office of Perinatal and Special Projects represents a 50% reduction in support resources, a 15% reduction in analytical resources, and a 50% reduction in supervisory resources.

- The loss of positions in the Audit Services Branch represents an 8% reduction in resources related to auditing federal Substance Abuse Prevention and Treatment dollars and a 25% reduction in supervisory resources.

# What was the actual effect of this reduction?

## NARCOTIC TREATMENT PROGRAM LICENSING BRANCH

The loss of the two positions in the Narcotic Treatment Program Licensing Branch (NTPLB) has impacted the timely completion of the branch's function.

The following impacts are a result of losing the AGPA position:

- NTPLB has condensed the annual required on-site compliance reviews in order to accommodate the increase in workload, which has resulted in less technical assistance provided by ADP staff when conducting reviews.
- NTPLB has restricted its functions in order to meet the mandated goal of 100% on-site compliance reviews conducted annually.
- Loss of the field staff position in NTPLB will impact the branch's ability to process NTP licensure applications in a timely manner, provide technical assistance, and implement the Office-Based Opiate Treatment and Mobile Medication Unit pilot programs.

The impact of losing the 0.5 clerical position reduces branch phone coverage for incoming calls and tracking license applications and regulatory exceptions. The loss of the half-time position places a workload burden on the remaining branch support and analytical staff.

## RESIDENTIAL AND OUTPATIENT PROGRAMS COMPLIANCE BRANCH

The loss of two positions in the Residential and Outpatient Programs Compliance Branch (ROPCB) impacts ADP's ability to expeditiously process license and certification applications. This translates into a backlog of processing applications and results in a delay in meeting the treatment needs of the community. In addition, compliance site visits are statutorily mandated to ensure the suitability of applicants who conduct these services and the health and safety of those clients being served. Due to the loss of these positions, ADP is developing a "risk assessment" instrument to identify those providers who must receive the required oversight versus those providers that maintain a long history of program compliance.

## DRIVING UNDER THE INFLUENCE PROGRAM

The SSM I position in the Driving Under the Influence Program (DUI) Branch was responsible for supervising the licensing functions performed by the licensing analysts. The loss of the SSM I position has required the SSM II to perform all management and supervisory functions in this program area. Consequently, the activities performed by analytical staff are not being reviewed and supervised as closely as previously done prior to losing the position.

The impact of losing the 0.5 clerical position is the reduced phone coverage for incoming calls. The loss of even half of a position places a burden on the one remaining support staff person and the analytical staff.

## DRUG MEDI-CAL PROGRAM

The loss of 8 positions in the Drug Medi-Cal (DMC) Program has resulted in an increase to individual workload at the analyst and supervisory level. There have been delays in providing required analyses, processing DMC claims, and responding to requests from constituents (including the federal government, counties, and program providers), as well as delays in DMC payments to providers resulting in the Department paying interest charges because claims are not paid within the 45-day California Government Code requirement.

The loss of the DMC monitoring position will result in the reduction of 52 Post Service, Post Payment monitoring reviews (out of 325 reviews) conducted on an annual basis on DMC programs. These monitoring reviews ensure that mandated services are provided to DMC beneficiaries, and when it is found that the services were not provided, monies are recouped from the counties and providers.

## PAROLEE SERVICES

The Office Assistant position supported 3.5 analysts in the function of overseeing an $11 million project providing funding to 17 metropolitan counties. The loss of this support position results in:

- Delays in communication and coordination with the Parolee Services Network (PSN) Partnership and California Department of Correction (CDC).

- Delays in completing project timelines for delivering information to CDC and the PSN partnership.

- Delays in tracking monthly and quarterly data reports which causes CDC to be late in responding to their evaluation issues and any legislative inquiries.

- Loss of support in maintaining project schedules.

- Additional workload for the remaining Office Technician (OT) position in the County Monitoring Branch. The OT now supports 16.5 staff.

OFFICE OF PERINATAL AND SPECIAL PROJECTS

The Office of Perinatal and Special Projects (OPSA), Perinatal and Youth Programs lost four positions. OPSA no longer conducts over 100 site visits to over 280 perinatal and 30 youth treatment facilities. Participation in AOD task forces, Domestic Violence, Child Welfare Services meetings and networking groups is limited. The result is OPSA's ability to collaborate, network and provide direct input to major policy changes/decisions is reduced.

The Youth Development and Crime Prevention (YDCP) Initiative is scheduled to end in September 2004. Due to lack of resources, OPSA is no longer providing technical assistance, nor sponsoring quarterly group meetings to the seven counties participating in the YDCP Initiative. The counties are left to complete the project and use funds without direct oversight from the State. The lack of staff resources has created a delay in project data gathering and input for the YDCP report. The results are lessons learned; information for project enhancement, policy changes, and program development will be delayed and may no longer be valuable or useful.

AUDIT SERVICES BRANCH

The loss of the Supervising Governmental Auditor I (SGA I) position has resulted in the supervisory responsibilities being divided among three other SGA I's and one Supervising Governmental Auditor II. These functions include audit review; annual audit planning; time budget tracking; fiscal budget tracking; OMB Circular A-133 audit oversight; audit appeals coordination; continuing professional education coordination; coordinating and developing fraud referral packages to the Departments of Health Services and Justice; supervision of Resident Run Housing Program loaning process; various forms of technical assistance to program staff, counties, and providers; and miscellaneous administrative tasks.

This distribution of duties reduces the ability of the Audit Services Branch to provide adequate supervision and direction over field audit activities, thus reducing the ability to complete mandated audits in a timely manner, including those required for the Substance Abuse and Crime Prevention Act of 2000 (SACPA). The inability to complete the SACPA audits on a current basis may result in inappropriate expenditure practices continuing for a longer period before

being detected, causing the ultimate audit findings to be larger and more detrimental.

Additionally, the quality of audit reports suffers as a result of reduced review and technical advice related to analysis and presentation of the audit findings.

The loss of the General Auditor II position reduced the Department's ability to determine whether:

- Substance Abuse Prevention and Treatment (SAPT) dollars have been appropriately spent for required categories of prevention and treatment.
- SAPT dollars have paid for their fair share of costs in multi-funded programs.
- SAPT funded residential treatment services have been duplicated in Drug Medi-Cal outpatient programs.
- SAPT funds have been used to supplant other funds that were otherwise available.

With the loss of this position, the deterrent effect of the auditors' review of expenditure of these funds is reduced.

Department Director Approval: Kathryn P. Jett Date: 3/22/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**AOD Prevention**

**Org. Code:** **4200**

**Department:** **Alcohol and Drug Programs**

# How was reduction implemented?

The Associate Governmental Program Analyst position was vacant when Control Section 4.10 was implemented. The Department was able to transfer the employee in the Staff Services Manager I (SSM I) to a vacant position within the Department, thereby avoiding layoff. The loss of the SSM I position represents a loss of 25% in supervisory resources available for AOD prevention activities. The loss of the analyst position represents a loss of 6% of the analytical resources available for AOD Prevention activities. The two reduced positions were from a total of 29.

# What was the actual effect of this reduction?

The SSM I was responsible for the supervision of the Prevention Services Division (PSD) unit with the primary role of administration of two federal substance abuse prevention grants awarded to California and training and technical assistance contracts funded by those grants. The SSM I had the responsibility of administering the prevention portion of the federal Substance Abuse Prevention and Treatment (SAPT) block grant and the Governor's Portion of the U.S. Department of Education's Safe and Drug Free Schools and Communities (SDFSC) grant.

The loss of the SSM I position has resulted in the following impacts on PSD's program operations:

- PSD's Coordination and Planning Unit and Program Management and Administration Unit have had to absorb the responsibility for administration of the SAPT and SDFSC grants.

- PSD's ability to respond in a timely manner to the Substance Abuse and Mental Health Services Administration's initiative to redesign the

performance requirements of the SAPT block grant, known as the Performance Partnership Grant project, has been impeded.

- The inability to develop request for proposals and the administrative systems needed for new programs has contributed to delays of several months in terms of directing new federal grant funds to the counties. PSD's ability to support county grantees with program development assistance and administrative oversight is also curtailed.

- There has been a reduction in PSD's ability to provide timely and comprehensive analysis and execution of issues, policies, and tasks related to these major projects and functions. This impact is measured by delays in program development, funding distribution, and performance measurement.

## RESOURCE CENTER

The loss of the AGPA position in the Resource Center (RC) has resulted in a reduction in the ability of the office to meet customer service demands. The following represents the implications from the loss of the AGPA in the RC:

- Researching for current trends and activities in the alcohol, tobacco, and other drug fields decreased by approximately 15 percent.

- Identifying publications to be added to the current inventory in the Clearinghouse decreased by approximately 30 percent.

- Identifying publications that need to be updated or replaced in the Clearinghouse decreased by approximately 75 percent.

- Identifying publications and resources relevant to the Alcohol, Tobacco, and Other Drugs (ATOD) field and posted to the RC Web site decreased by approximately 40 percent.

- Continuous marketing of ATOD information through technology and innovation decreased by approximately 40 percent.

- Searching for new publication vendors decreased by approximately 25 percent.

- Maintaining collaboration with Regional Alcohol and Drug Awareness Resource decreased by approximately 95 percent.

- Monitoring the inventory in the database and Clearinghouse decreased by approximately 50 percent.

- Completing statistical reports of the Clearinghouse inventory decreased by approximately 50 percent.

- Ongoing planning, implementation, evaluation and refinement of procedures of processes and services in the RC decreased by approximately 100 percent.

Department Director Approval: Kathryn P. Jett Date: 3/22/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4250

**Department:** California Children & Families Commission (CCFC)

# How was reduction implemented?

All reductions were in our Program Management Division. CCFC eliminated vacant positions and eliminated positions that were approved by the Commission but as yet not filled.

# What was the actual effect of this reduction?

Delays in the implementation of Commission approved initiatives.

- Professional staff taking care of their own clerical needs.
- Delays in contract development, review, implementation and invoice review and approval.
- Unable to be fully responsive to the Commissioners, County Commissions, or other stakeholders.
- Unable to provide adequate technical assistance to local entities implementing CCFC initiatives.

Department Director Approval: _____ Date: 3/29/00

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services - Department Summary

Total Positions: 582
Total Savings: $63,050,000 General Fund: $35,430,000 Other Funds: $27,620,000

# How was reduction implemented?

The Department's reductions, in accordance with Section 4.10 of the Budget Act, were a function of the impacts from Executive Order D-71-03, eliminating all positions that were vacant on June 30, 2003, and pursuant to Government Code Section 12439, positions that were continuously vacant for six months. Positions that were not reestablished through the administrative appeal process were included in the Department's Section 4.10 reductions. In those instances where these positions were involved in cost-savings, anti-fraud activities, compliance with federal waiver and Balanced Budget Act requirements, and other mandated activities, the Department will redirect resources (positions and funding) to ensure these priorities are met. Appropriate Legislative notification will be forthcoming regarding these redirections.

Approximately 130 of the 582 eliminated positions were filled. These employees were placed through an aggressive internal placement process or obtained employment through the surplus/SROA program. DHS informed staff of the planned reductions and placement committee process, and responded to their questions and concerns.

Contractors were notified regarding contract reductions and terminations as indicated in the program descriptions that follow.

While the reductions were effective on July 1, 2003, implementation was delayed by the late budget, review of the proposed plans, and placement of current employees whose positions had been eliminated. As a result, implementation could not begin until late Fall 2003, thus limiting DHS' ability to achieve current year savings. Due to the elimination of virtually all of the department's vacancies without commensurate relief from salary savings requirements, the department immediately faced a large potential General Fund deficiency in FY 2003-04. DHS implemented an internal hiring freeze, delayed filling newly authorized positions, and required programs to reduce expenditures in overtime, temporary help, travel, equipment, and contracts. DHS continues to review and restrict expenditures to only the most essential items and reviews all requests for hiring or

transfers for the impact on General Fund expenditures. Currently, when DHS has hiring freeze exemptions approved by DOF, the programs are recruiting and filling newly established positions involved in anti-fraud activity and cost containment or recovery activities.

Where possible, the department programs prioritized their workloads so that adverse impacts are mitigated and notified their stakeholders of the expected impacts. DHS continues to monitor, evaluate and take appropriate actions as required to mitigate the impacts of these reductions.

# What was the actual effect of this reduction?

Some programs or activities were completely eliminated and others were reduced. While some reductions will not impact a single program or activity, they will reduce the quality, timeliness, and effectiveness of the programs and activities within this organization. Specific impacts of reductions are listed in the following descriptions by program area.

Department Director Approval: _____ Date: 3/24/9

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Department of Heath Services

**Program:** Administration

Total Positions: 28
Total Savings: $1,550,805 General Fund: $575,608 Other Funds: $975,197

# How was reduction implemented?

The Administration Division provides central support services (including human resources, financial management, logistical, facility and all other support services) to the Department's programs as well as the stakeholders it serves. As its share of reductions, positions and resources were lost in all of the various support functions. The reductions were implemented through attrition and the placement of staff.

# What was the actual effect of this reduction?

The Administration Division has been aggressive in creating as many operational efficiencies as possible. Nonetheless, these reductions will impact the ability of the various offices to provide services at the level of quality and timeliness that was previously delivered. While efforts continue to generate even more efficiencies, streamlining and re-engineering processes, and thinking creatively about solving problems. As a result, services to our customers have been impacted. There are now routine delays in responding to requests and we request as much advance notice as possible so that we can better plan and manage our activities. Also, while we try not to compromise on quality, the time necessary for adequate review and consideration is simply not adequate to consistently generate good work products. The Division is prioritizing its workload so that the more critical activities get adequate support in order to mitigate the impacts. The long-term consequences of this are uncertain.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Audits and Investigations

Total Positions: 31.0
Total Savings: $2,126,659 General Fund: $1,026,445 Other Fund: $1,100,214

# How was reduction implemented?

Audit programs and audit workload have been adjusted to eliminate the California Medical Assistance Commission (CMAC) special audits effective July 1, 2003. CMAC was notified via e-mail the week of November 17, 2003 that these audits will no longer be performed.

Production plans have been adjusted and workload priorities shifted to minimize the fiscal impact of the reductions due to the elimination of Managed Care Medical Quality Assurance audits.

Medi-Cal beneficiary and provider anti-fraud workload has been reduced commensurate with staffing reductions. The remaining workload has been prioritized so that adverse impacts are mitigated.

# What was the actual effect of this reduction?

Elimination of CMAC contract hospital audits will result in a loss of $30 million in cost avoidance.

Reduction of staff associated with Managed Care Medical Quality Assurance audits will result in no quality assurance audits of Managed Care plans.

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the staff reductions associated with Medi-Cal beneficiary and provider anti-fraud efforts.

Department Director Approval: _____ Date: 3/24/9

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Executive Office

Total Positions: 11
Total Savings: $754,264 General Fund: $353,390 Other Funds: $400,874

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The workload associated with the on-going coordination of the departmental assignments requiring action and the dissemination of controlled correspondence assignments to DHS programs and staff for reply and/or action has been reassigned to other positions. The workload associated with the support of the Office of the Medi-Cal Deputy Director to meet many of the daily obligations at the executive and policy level has been redirected. The staff receiving the additional workload may have some difficulty in responding to all the issues that arise from the Administration, the Legislature, the federal government, and the public due to their already heavy workloads.

There is currently no support staff available to address the needs of the department that arise at the Los Angeles Office.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Health Information and Strategic Planning (HISP)

Total Positions: 30
Total Savings: $1,493,683 General Fund: $0 Other Funds: $1,493,683

# How was reduction implemented?

Employees have been moved to other departmental positions per the placement process. Local Public Health Services Program (LPHSP) prioritized the remaining workload and eliminated work activities associated with staff reductions and previously performed public, environmental health, and administrative functions. Remaining LPHSP' staff will provide limited public health and administrative services.

With the reduction in staff, the Center for Health Statistics (CHS), Office of Vital Records (OVR), closed its public counter. The last day the public counter was operational was Tuesday, November 25, 2003. OVR is continuing to field complaints about the lack of rapid access to certificates.

# What was the actual effect of this reduction?

Counties who rely on State resources for first-line public health services will need to obtain these services through other means, such as establishing county-funded positions. These positions provided first-line public health services in the community, including family and child-related services, communicable disease and preventive and epidemiological investigative services. LPHSP's capacity for administrative functions, such as contract processing and management, processing of reimbursement invoices, expenditure tracking, and responding to information and data requests from eleven rural counties has been reduced.

The Center for Health Statistics (CHS) discontinued issuing certified copies of birth, death, and marriage certificates to requesters. All requesters (including the California Legislature and all other public, state, and federal agencies) are now referred to the County Recorder's offices when they need immediate copies of these documents. CHS will only handle copies the counties cannot locate, all amendments, and adoptions.

Members of the public who do not know the county in which the birth, death, or marriage occurred will continue to make their request to CHS, the only statewide repository for these records. CHS will continue to perform the workload necessary to look up the event and let the requester know in which county the event took place.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Information Technology Services Division (ITSD)

Total Positions: 10
Total Savings: $562,180 General Fund: $170,795 Other Fund: $391,385

# How was reduction implemented?

**Medi-Cal Eligibility System**
The volume of system changes planned for incorporation into the Med-Cal Eligibility Data System (MEDS) was reduced.

**Health and Admin Systems Unit (HASU) I, Customer Service Unit Data Guidance Unit and Richmond Laboratory**
For HASU I, Customer Service Unit, Data Guidance Unit, the Richmond Laboratory, stakeholders have been notified of anticipated impacts, workload has been reprioritized and redistributed to diminish adverse effects. Action was taken to immediately monitor and evaluate the impact to take appropriate actions as necessary.

# What was the actual effect of this reduction?

**Medi-Cal Eligibility System**
It took DHS extended time to respond to county requests for system changes to the MEDS.

**Health and Admin Systems Unit (HASU) I, Customer Service Unit Data Guidance Unit**
Loss of a systems analyst position resulted in the inability for HASS to fully perform the design and deployment of new projects such as the mandated Intranet Governor's Look and Feel. With regard to quality and timeliness, projects are delayed and/or suffer due to assigning lower level staff to a workload that is difficult to manage. The reduction impacted our ability to complete major system enhancements in the Customer Service Unit in a timely and efficient manner with projects taking much longer to complete, and prevented us from implementing the Change Management application system. The loss

of the part-time Information Systems Technician (IST) position in the Data Guidance Unit resulted in assigning additional application systems to two other ISTs who already had a full workload. This increase in system responsibility reduced the amount of time the staff had to monitor system responsibilities and to respond to system production problems that resulted in the need to re-run systems because errors were overlooked.

**Richmond Laboratory**

Due to the reduction in ITSD staff, the campus has had to rely on help from the decentralized program IT staff. The decentralized staff does not have the same level of access to enterprise resources so service has been delayed. Sacramento staff has attempted to assist, however, remote support does not always resolve the problem timely. The nature of work at the Richmond Laboratory often requires immediate attention. The full affect of this loss will not be known until the campus is fully occupied next year.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Licensing and Certification (L & C)

Total Positions: 91.0
Total Savings: $6,774,944 General Fund: $2,718,199 Other Fund: $4,056,745

# How was reduction implemented?

Licensing and Certification was able to place staff whose positions were eliminated into other L & C positions.

L & C management held meetings to identify priority projects and workload. Draft alternatives based generally on these priorities were developed and input was sought from staff. Remaining workload was prioritized so that adverse impacts are mitigated.

All current workload activities are either mandated by the state or federal law or are unavoidable to support mandates (such as responding to public records requests, media inquiries, purchasing supplies, claiming federal funds, etc). However, L & C is not implementing several mandates for lower priority providers and certain headquarters functions. Whatever few remaining discretionary activities were being conducted have been discontinued.

Regarding the downsizing of the Los Angeles County contract for performing surveys, the County had already been put on notice of the probable reductions and they had frozen hiring since July 1, 2003. Formal notification took the form of a formal contract amendment.

# What was the actual effect of this reduction?

**Quality of Care**: Priority 2 complaints (those that do not involve a threat of imminent danger of death or serious bodily harm) are not being investigated within the 10-day timeframe required by Health and Safety Code Section 1420. As of June 30, 2003, 70% of these complaints were initiated within the 10-day timeframe, but by the end of February 2004, that average had dropped to 54%. Further, in June 2003, the backlog

of Priority 2 complaint investigations was roughly 4,900. This backlog has grown to about 5,400 complaint investigations, an increase of 9%.

**Oversight and Access**: Prioritization of workload has ensured that surveys for nursing homes and ICF-DD facilities are performed within the federally mandated interval of 15 months and surveys for home health agencies, hospitals, dialysis centers and other providers continue to be completed according to the timeframes specified in state and federal law. However, initial surveys for new providers seeking licensure or certification continue to be delayed creating business hardships in many communities. In June 2003, the initial survey backlog was about 350; the current backlog is about 480, an increase of 18%. These backlogs further impede access to health care in some communities, and do not allow new providers to offer services or to avail themselves of federal payments for services provided to the poor, elderly and disabled.

There is a backlog in processing new applications for Certified Nurse's Aide certification. As of June 2003, there was a backlog of 9,424 certifications. It grew 53% (to 14,377) by February 2004.

**Protection of the vulnerable**: The backlog of criminal conviction clearance cases has grown based on these reductions. Direct health care professionals with criminal convictions may continue to provide direct care to elder and dependent adults because of insufficient staff to review conviction cases. Current law allows these workers to be employed in facilities pending their certification, which must include a background clearance. Without staff to analyze and research the cases and determine the suitability of employment when the Department of Justice reports criminal convictions, these workers will continue to have access to the vulnerable population. The backlog of criminal conviction clearance cases was 1,946 in June 2003. By February 29, 2004, it had grown to 2,285 cases (17%).

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Legislative and Governmental Affairs (LGA)

Total Positions: 1.0
Total Savings: $82,121 General Fund: $26,188 Other Funds: $55,933

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The Department, the Administration, and the Legislature experience delays in receiving technical assistance and information from the Office of Legislative and Governmental Affairs.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Office of Legal Services (OLS)

Total Positions: 15.0
Total Savings: $1,167,087 General Fund: $491,028 Other Funds: $676,059

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The processing of Medi-Cal Managed Care out-of-service plan emergency service claims has been delayed.

The loss of positions hinders the Department's ability to adequately defend , high-impact Medi-Cal litigation that may result in significant judgments, and from recovering from estates and other third parties monies owed the Department for services provided to Medi-Cal beneficiaries.

The loss of resources delays the recoveries of Medi-Cal overpayments and extends the time within which medical providers can receive adjudication of their cases by three months.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Medi-Cal - California Partnership for Long-Term Care

Total Positions: 2
Total Savings: $114,274 General Fund: $57,137 Other Funds: $57,137

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

Eliminates the California Partnership for Long Term Care's consumer education and outreach. The positions supported the distribution of Partnership material encouraging people to plan ahead for their long-term care (LTC). The Partnership's ability to respond, both orally and in writing, to more complex consumer, state agency, and insurer inquiries and make oral presentations on the program to consumer, provider, and state agency groups has been decreased.

The Partnership's ability to make affordable LTC insurance protection available to California's middle-income consumers who will otherwise rely on Medi-Cal to pay for their LTC costs may be decreased. The analyst positions reviewed policy filings, per Welfare and Institutions Code, Sections 22005 and 22005.1, which requires DHS to certify that long-term care insurance policies contain the coverage necessary to pay for the LTC needs of a middle-income consumer who has little ability to absorb out of pocket expenses for services not paid for by the policy.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Medi-Cal Managed Care

Total Positions: 20
Total Savings: $1,828,011 General Fund: $865,887 Other Funds: $962,124

# How was reduction implemented?

General implementation of position reductions is discussed under the Department summary.

The Management Information System/Decision Support System (MIS/DSS) Data Feed contract was scheduled to expire on January 31, 2004; however, the contract was terminated on December 21, 2003.

# What was the actual effect of this reduction?

Elimination of Medi-Cal Managed Care supervisory staff has reduced the supervision within the division. This has resulted in a decreased ability to respond to ongoing developments and changes in the managed care environment.

Elimination of support staff in three Managed Care units and the accounting unit has hindered the timeliness of various functions, creating a large backlog of timely responses. This workload has been redirected to other remaining support staff resulting in slower processing of packages and plan capitation payments; the inability to process monthly financial statements from managed care plans (Audits and Investigations and Third Party Liability requests for recovery of funds will be delayed); the loss of confidential handling of issues; and significant depreciation of tracking and maintenance processes for documents and information.

Loss of Associate level staff within various branches has greatly hindered the effectiveness of these branches. Specifically, the Health Insurance Portability and Accountability Act (HIPAA) compliance program, as well as program development activities for managed care's fraud prevention program, has led to a cessation of the

coordination of compliance activities between health plans and the Office of HIPAA Compliance. There has been a decrease in the ability to maintain, analyze and improve data systems related to medical audits and corrective action plans; adequately monitor for audit/statistical/program plan and/or statewide trends; and identify issues early to promote a necessary and timely resolution. As a result, the efforts to maintain an underutilization review function have been reduced.

The elimination of medical supervisory staff has decreased the level of supervision and direction to all clinical staff.

The loss of the Staff Services Management Auditor position has decreased financial monitoring of special plans (i.e. AIDS Health Care Foundation) to a time-available basis.

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the staff reductions associated with Medi-Cal anti-fraud efforts; development of federal waivers to operate state managed care programs; development of State Plan Amendments required under the 2002 federal rules; and 2002 federal rule Balanced Budget Act compliance.

The primary use for the MIS/DSS Data Feed is the monthly standardized paid claims and encounter file used to update the MIS/DSS database. ITSD staff will now perform the Medicare/Medi-Cal Match and other Legacy system extracts.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Medi-Cal Operations Division (MCOD)

Total Positions: 83
Total Savings: $5,376,293 General Fund: $1,730,554 Other Funds: $3,645,739

# How was reduction implemented?

General implementation is discussed under the Departmental summary.

# What was the actual effect of this reduction?

Elimination of analytical staff has resulted in delays in approving contracts for the placement of sub-acute care patients. As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the staff reductions associated with the Medi-Cal Selective Provider Contracting Program (SPCP) federal waiver.

Elimination of supervisory positions caused workload to be redirected to other staff, left staff without necessary supervision, and diminished administrative and clerical support. The effect is a lack of supervisory functions resulting in negative impacts to the timely processing of personnel documents, supply orders, etc. for the Field Offices responsible for the review of Treatment Authorization Requests (TARs) and the Medi-Cal Case Management staff in those offices. In some instances, professional staff have been left without adequate administrative and direct clerical support. The effect of these reductions, in part, is that professional staff are now responsible for performing administrative and clerical support functions, which negatively impacts their timeliness in performing program activities.

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of Nurse Evaluator IIs (NE) positions. These positions are associated with cost savings in the Medical Case Management (MCM) Program of approximately $11.5 million ($5.75 million General Fund). Beneficiaries suffering from catastrophic and/or chronic illnesses benefit from intervention of the MCM case managers.

Elimination of Field Office Administrator (FOA) positions has decreased supervision over the MCM Program's nurse case managers who facilitate and coordinate timely access to those appropriate medical and community-based services in a home setting whose goal is to stabilize and improve a beneficiary's health status and reduce preventable acute inpatient hospital stays.

Elimination of various positions involved in TAR processing is contributing to the backlog of provider appeals and TAR litigation activities. The elimination of medical staff has contributed to delays in reviewing TAR appeals for medical necessity. Various TAR-related field office and headquarters support, clerical, and supervisory positions were also eliminated leaving staff without appropriate levels of supervision, administrative and clerical support. This reduction in staffing has contributed to delays in prior authorization of medically necessary services for beneficiaries and may increase appeals and litigation that lead to higher program costs.

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of Nurse Evaluators who perform home and community-based waiver related activities, such as onsite visits to determine health and safety and the delivery of approved services to individuals enrolled in waivers, and assessments for necessary services. Overall, the effects of these reductions include increased complaints on the basis of Olmstead implementation; the inability to conduct required quality assurance activities resulting in increased risk for issues related to health and safety; and the inability to appropriately assess provider qualifications, especially for unlicensed caregivers.

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of medical professionals involved in various utilization controls. These controls contribute to cost savings generated by the review for medical necessity in order to ensure that beneficiaries receive the most appropriate and cost-effective medical services for which they are entitled. The loss of these positions has also contributed to significant delays in authorizing medically necessary services for Medi-Cal beneficiaries.

Elimination of Nurse Consultant positions has resulted in reduced guidance and leadership in the development, monitoring, and oversight activities, in several waivers, thus placing MCOD at risk of non-compliance with the State-guaranteed assurances outlined in the approved federal waiver applications. Elimination of these positions may also increase MCOD's risk in not achieving the waiver cost neutrality requirements due to inability to conduct necessary provider training and provision of technical assistance on waiver services.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Medi-Cal Payment Systems Division (PSD)

Total Positions: 22
Total Savings: $7,391,994 General Fund: $4,459,605 Other Fund: $2,932,389

# How was reduction implemented?

Employees that were occupying positions that were eliminated have been moved to other Provider Enrollment positions per the placement process. Provider Enrollment prioritized the remaining workload and eliminated work activities associated with the staff reductions. Provider Enrollment's external contracts budget was reduced by $1,665,000 thus eliminating the funding allocated for the redesign of the Provider Master File.

The Office of HIPAA Compliance prioritized the remaining workload and eliminated work activities associated with the staff reductions. The HIPAA external contracts budget was reduced by $3,600,000 and the HIPAA distributed administration budget was decreased by $800,000.

# What was the actual effect of this reduction?

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of the Provider Enrollment positions involved in maintaining appropriate enrollment safeguards, as mandated by AB1098 and AB1107, and cost avoidance/cost savings activities. The current impacts include provider enrollment/re-enrollment slowdowns and increased backlogs, further diminishing available resources to Medi-Cal beneficiaries. The lost positions also result in a decreased number of deactivations and sanctions that can occur.

The reduction to the external contracts budget has delayed the design and development of an enhanced Provider Master File (PMF). The current system, developed in the 1970's, was in the process of redesign to allow the department to better crosscheck provider information; streamline antiquated update capability; conduct more refined online research, and provide more reporting access.

The elimination of HIPAA positions has caused delays in the Department's efforts to meet the Federal HIPAA Compliance deadlines for all published rules. In addition, the elimination of these positions has caused significant delays in the Department's efforts to meet deadlines, such as Advance Planning Documents, Special Project Reports, Procurements and legislation requests.

The reduction to the HIPAA external contracts budget delayed implementation of HIPAA requirements in the area of Security, Privacy Remediation, National Employer ID, Independent Verification/Project Oversight, Short-Doyle, and Physicians Services Contract Back/Emergency Medical Services Appropriation (PCSB/EMSA).

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Medi-Cal Policy Division

Total Positions: 41
Total Savings: $8,163,297 General Fund: $4,743.637 Other Funds: $3,419,660

# How was reduction implemented?

BabyCal and Healthy Families/Medi-Cal for Families outreach programs were terminated June 30, 2003. All contractors and advocates have been informed of the termination of these programs.

On November 19, 2003, the PriceWaterhouseCoopers monitoring contract was terminated. DHS also notified LA County Department of Health Services & the federal Centers for Medicare and Medicaid Services of the termination of this contract.

Prioritize remaining workload so that adverse impacts are mitigated

# What was the actual effect of this reduction?

Elimination of supervisory staff resulted in the elimination of the Healthy Families/Medi-Cal for Children (HF/MC) campaign, responsibility for Community Based Organization (CBO) contracts, oversight of the application assistance trainings, fees, media, public relations, collateral and CBO outreach for BabyCal and the toll-free line for HF/MC. In addition, there is diminished capacity to deal with the more complex programmatic issues associated with payment disputes, as these are normally handled by supervisory staff.

As a result of the elimination of the independent contract with PriceWaterhouseCoopers to monitor the Section 1115 Medicaid Waiver for LA County, existing DHS employees are required to conduct monitoring activities for the remaining waiver years. Due to the limited staff resources, the monitoring activities will be minimal.

County performance standards for eligibility determinations and annual redeterminations were established as a means to reduce Medi-Cal program

expenditures. Counties have been issued instructions for submission of a report on their achievement of the performance standards for eligibility determinations and redeterminations. The first reports were due January 1, 2004. Loss of positions reduced the resources available to review and ensure county compliance with these requirements and to correct poor performance, including the assessment of financial penalties.

The Medi-Cal Administrative Activities (MAA) program is unable to process all the claiming plans, contracts and invoices to reimburse schools and counties in a timely manner. These entities have provided services in good faith, and are seeking federal reimbursement to which they are legally entitled. As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of positions that perform CMS required site visits.

Elimination of the clerical support staff has resulted in a backlog in response to sensitive correspondence controlled by the Director's office and other sensitive correspondence from the control agencies, provider groups, and beneficiaries. This has also hindered the ability to perform a variety of technical clerical duties (receiving, reviewing, prioritizing, organizing mail for action; calendar maintenance; making travel arrangements; facilitating workload distribution; responding to Branch priorities; answering phones; and responding to Medi-Cal recipients). Loss of these positions delays response to legislative and public inquiries, timely submission of bill analyses, and has restricted staff's ability to complete assignments in a timely manner.

There is no on-going collection and collation of data regarding organ transplants for Medi-Cal patients. This data is used to ensure Medi-Cal coverage is limited to only those hospitals that have demonstrated expertise and a record of success and safety with organ transplants as required by State and Federal law. As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of these positions. In addition, there are delays in processing correspondence from transplant facility staff. There are reduced resources available to process requests for administrative rehearings for Medi-Cal. This function is time sensitive and the administrative law judges require timely processing of rehearing requests.

Loss of Associate level staff compromises the proper management of a $7 billion contract and invoicing program comprised of several interagency agreements. Delaying payments of Federal Financial Participation (FFP) to other State Departments results in lost interest income to the State. The Professional Services Unit no longer has the minimum number of staff to review rehearing requests and develop and update policies, regulations, state plan language, contracts and operating instructional letters in a timely manner. Staff is no longer available to be assigned to the Bridging Program, or write new property regulations, which has eliminated the capacity to provide policy guidance on the Bridging Program and may increase the number of lawsuits related to property. The reduction has seriously hindered the program's ability to plan and evaluate projects such as Health-e-App expansion and research other streamlined application

methodologies, or reply to inquiries regarding application simplification. No staff to perform the wide variety of administrative oversight responsibilities required by CMS. As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of positions in the Clinical Laboratory and Durable Medical Equipment (DME) Contracting Unit to ensure contracts are processed within sufficient time to achieve the savings identified in the budget. The reductions have decreased the program's ability to monitor and review the contracts once they have been established.

In addition, a redirection of resources will be required to mitigate the impacts of the elimination of medical positions that provide medical expertise; assist with Medi-Cal's anti-fraud activities; and develop cost-containment policies and implementation relating to DME, rehabilitation services, and prosthetic and orthotic appliances.

Elimination of Medical Staff resulted in the program's reduced ability to provide medical input in support of the development and implementation of a new Medi-Cal contracting program for DME. Medical oversight of the Medi-Cal organ transplant programs, including the development of policies and revisions, has also been decreased.

The reduction of the Medical Consultant position has eliminated the capacity to perform reviews of HIPAA code set conversions and the claims processing system changes necessary to ensure California's Medicaid program will be compliant with HIPAA requirements to use national uniform billing codes for products and services billed to the program by health care providers.

Compilations of regulations and state plan amendments for the Long-Term Care Reimbursement Unit may be delayed. There are no resources available to assist with the implementation and administration of the Intermediate Care Facility/ Developmentally Disabled Quality Assurance Fee Program.

The Capitation Rate Unit's (CRU) ability to produce appropriate rates for capitated health plans mandated by the federal government has been diminished. The unit has lost the expertise needed to assist in creating a required database and new rate setting methodology to move away from the old methodology.

Department Director Approval: _____ Date: 3/24/9

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Medi-Cal Procurement

Total Positions: 1
Total Savings: $71,426 General Fund: $35,713 Other Fund: $35,713

# How was reduction implemented?

General implementation is discussed under the Departmental summary.

# What was the actual effect of this reduction?

Procurements are being delayed. Decreased staffing has resulted in analysts managing more than one procurement simultaneously. It is anticipated that procurements, which typically took 12-18 months, will take 15-24 months to complete.

Contracts were delayed as the procurements took longer to conclude.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Office of Long Term Care

Total Positions: 2
Total Savings: $142,568 General Fund: $71,284 Other Funds: $71,284

# How was reduction implemented?

Notified stakeholders that expansion of Program of All-Inclusive Care for the Elderly (PACE) was discontinued.

# What was the actual effect of this reduction?

PACE expansion has been discontinued and several potential projects that had begun will not be able to progress absent these positions.

Department Director Approval: _____ Date: 3/24/4

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Primary Care and Family Health (PCFH) - Children's Medical Services Branch

Total Positions: 14
Total Savings: $954,388 General Fund: $353,277 Other Funds: $601,111

# How was reduction implemented?

Positions were redirected internally within the Children's Medical Services (CMS) Branch and within the PCFH Division to mitigate any potential layoff activity. Branch workload activities have been reprioritized to mitigate adverse impact to program and services to clients. Stakeholders are continuing to be advised of program restrictions related to reductions.

# What was the actual effect of this reduction?

The loss of positions have resulted in the following:

- The delay in processing service authorizations for the California Children's Services Program's (CCS) eligible children increased from 9 weeks to 4 months. This further delays these children from receiving medical care.

- The enrollment of physicians and other healthcare providers are delayed, increasing the existing backlog and thereby resulting in fewer available service providers for eligible children.

- Payments to CCS providers have been delayed.

- The Branch is unable to impact the increasing problem of childhood asthma, with its rising morbidity, mortality, and health care costs. In addition, Proposition 10 grant requirements may not be met.

- Loss of the Hearing Conservation Specialist position resulted in the inability to monitor audiology providers to ensure appropriate delivery of services to infants and

children, especially those identified with hearing loss through the Newborn Hearing Screening Program.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Primary Care and Family Health - Genetic Disease and Testing Branch (GDB)

Total Positions: 9
Total Savings: $720,856 General Fund: $47,676 Other Funds$673,180

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

Staff reductions have delayed results in screening pregnancies and newborns, and reduced the quality assurance activities.

Staff reductions have limited the GDB's ability to provide input on the design of an automated project to replace the outdated automation system.

Staff reductions have decreased the program's capacity for the collection of fees needed for the operation of GDB programs.

Staff reductions have limited the GDB's ability to keep the program up-to-date with other state screening programs.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Primary Care and Family Health - Maternal and Child Health Branch (MCH)

Total Positions: 4
Total Savings: $294,201 General Fund: $0 Other Funds: $294,201

# How was reduction implemented?

MCH has reprioritized assignments to minimize impact on the data required for the annual Title V grant application and report. MCH has advised federal MCH Bureau that staff reductions have increased challenges associated with meeting federal requirements. MCH has notified stakeholders of the impact on programs described below.

# What was the actual effect of this reduction?

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of positions responsible for meeting extensive federal requirements for data and data analysis in the annual Maternal and Child Health application for Title V funds.

The position reductions hinder effectiveness of Maternal and Child Health programs such as Black Infant Health, California Diabetes and Pregnancy Program, and Adolescent Family Life Program, by limiting available data necessary to adequately evaluate programs for cost effectiveness and determine if program targets are met. The ability to evaluate the effectiveness of specific interventions is reduced, limiting MCH's ability to effect significant improvement in overall program outcomes.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Primary Care and Family Health - Office of Family Planning (OFP)

Total Positions: 7
Total Savings: $778,134 General Fund: $621,098 Other Funds: $157,036

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The reduction in monitoring, loss of administrative and clerical support staff has left the OFP with the inability to adequately manage programs for which it is responsible. The ultimate impact on program activities is not yet known.

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of positions associated with Family Planning, Access, Care and Treatment (PACT) waiver compliance.

A reduction was made to the OFP General Fund support budget for the Health Education positions. The General Fund reduction was backfilled with Federal Funding for the positions. This funding shift resulted in no impact on family planning services.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** PCFH - Primary and Rural Health Care Systems Branch

Total Positions: 1
Total Savings: $90,167 General Fund: $90,167 Other Funds: $0

# How was reduction implemented?

Incumbent in position was notified. Department determined this Branch could not function without this position as this would leave the Branch without a Section Chief, so a vacant Health Program Manager II position was redirected from the Children's Medical Services (CMS) Branch.

# What was the actual effect of this reduction?

As stated above, the Department redirected a supervisory position from the CMS Branch to the Primary and Rural Health Care Systems (PRHCS) Branch. As a result of this action, PRHCS Branch functions and programs were minimally impacted. However, the CMS Branch had to assign extra duties to other supervisors and the Branch Chief to cover loss of this position. The CMS Branch has received criticism from stakeholders regarding the delay in county allocations for the Child Health and Disability Prevention Program; authorizations of services under the California Children's Services (CCS) program; and implementation of drug rebate collections.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Primary Care and Family Health - Women, Infants, and Children (WIC)

Total Positions: 7
Total Savings: $478,112 General Fund: $0 Other Funds: $478,112

# How was reduction implemented?

The workload associated with the lost positions was redirected, as feasible. Organizational changes were made to address loss of several supervisor positions. Discretionary workload was delayed or eliminated.

Activities associated with expanding the program in preparation for accepting additional federal funds were curtailed.

Grocers and local WIC agencies were notified of temporary suspension (up to 6 months) of new applications from grocery stores for WIC authorization.

Local WIC agencies were notified of reduced availability of training and technical assistance from the Branch along with anticipated slower response time to questions/issues.

# What was the actual effect of this reduction?

Organizational impact: Loss of supervisory positions caused the WIC Branch to eliminate or redirect functions and consolidate units; span of control was increased for several supervisors.

Program expansion: WIC Branch was not able to assist local WIC agencies increase their capacity to serve more participants.

Grocer suspension: WIC issued a temporary suspension of new grocer applications in November 2003 for a period of approximately six months to handle an application backlog that occurred due to staffing reductions and travel restrictions. In addition, beginning January 2004, the number of sites for grocer training was reduced from 40 to

three. Grocer associations have complained about the impact of this suspension on their members' businesses.

Local agency impact: WIC Branch has decreased training sessions and limited technical assistance to local WIC agencies.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Office of AIDS

Total Positions: 15.0
Total Savings: $1,292,809 General Fund: $1,237,882 Other Funds: $54,927

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The elimination of the positions in the HIV/AIDS Care and Treatment Program has reduced state level coordination, monitoring and technical assistance for home and community based services to people with HIV/AIDS; decreased oversight of local contractors that provide health, education, prevention risk assessments and support services; decreased ability to coordinate comprehensive and cost effective home and community based services to Medi-Cal beneficiaries for people with mid- to late-stage HIV/AIDS; and reduced data, communication and technical support for AIDS case management activities.

The position eliminations in the HIV/AIDS Prevention and Education Program has reduced ability to develop effective local education and prevention programs for communities that provide interventions to high-risk groups (men who have sex with men, people of color, women, youth, etc); and decreased ability to disseminate HIV/AIDS prevention information. In addition, the reduction of a contract that collects data that allows for evaluation of local HIV/AIDS prevention activities has decreased the information available for local planning and implementation, risking non-compliance with federal grant requirements.

The positions eliminated in the HIV/AIDS Epidemiology Program decreased support for training local health departments in HIV/AIDS case reporting that may result in less accurate reporting; eliminated statewide HIV/AIDS sentinel surveillance, thereby reducing the Office of AIDS' ability to perform matches of the HIV/AIDS reporting system to other databases; decreased oversight of two major HIV/AIDS reporting

contracts and reduced data expertise for epidemiological research projects; decreased investigation of HIV risk transmission thereby compromising the quality of data gathered; decreased ability to develop a competitive federal grant for statewide AIDS surveillance activities; and decreased expertise in the area of HIV reporting regulations. In addition, two contracts related to non-name HIV case reporting were terminated. One contract provided training to local health entities that report HIV cases; the other contract provided an evaluation of local HIV reporting.

The Office of AIDS has limited ability to quickly develop and process a variety of contracts primarily impacting local assistance funding resulting in a decreased ability to move funds to local health departments and community based organizations; the operating effectiveness of the Division office has been reduced; attendance duties are being absorbed and there will be delays in word processing assignments.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Chronic Disease and Injury Control

Total Positions: 12.0
Total Savings: $8,879,573 General Fund: $8,385,880 Other Funds: $493,693

# How was reduction implemented?

Stakeholders and grantees were notified that contracts and grants would not be funded or were to be terminated for the following activities: 1) Multiple Sclerosis; 2) Parkinson's Disease; 3) Family and Domestic Violence; 4) Prostate Cancer Treatment; and, 5) Cancer Research.

# What was the actual effect of this reduction?

Reduced the quality, timeliness, and effectiveness of programs/activities, and eliminated dedicated surveillance for injuries resulting from violence against women. There will be delays in completing many assignments and failure to meet deadlines, or deliver high quality products. The reduction weakened the oversight of the prostate cancer treatment program contract.

The Tobacco Control Program is unable to process new contracts and contract amendments in a timely fashion which results in the Program's inability to process and pay invoices for services rendered.

The reductions in clinical staff have limited the program's ability to review and analyze clinical services, evaluate the quality, and carry out efforts to increase compliance with clinical standards and cultural appropriateness of early breast and cervical cancer detection services delivered by California clinicians in accordance with federal grant requirements.

The loss of contract and professional services funds reduced the number of family and domestic violence strategic planning grants available to local health departments to only one or two per year, with no funds available for implementation activities.

There was no impact to the Department as a result of the reduction to the contract for Multiple Sclerosis as the requirements of the funding had already been completed.

The reduction of the Parkinson's Disease Program resulted in the elimination of the contract to the University of California at San Francisco (UCSF). UCSF had earlier been awarded the contract through a competitive bid process to implement the Parkinson's Disease Program. All program activities, including patient assessments, family and caregiver education, were terminated.

The General Fund portion of the Prostate Cancer Treatment Program was reduced. However, the program will not see the impact of these reductions in FYs 2003-04 and 2004-05 as the Program is utilizing funds reappropriated in the Budget Act of 2003. The source of the reappropriated funds is unspent Tobacco Settlement Funds from prior years. Low income, uninsured and disproportionately African American men will continue to receive prostate cancer treatment through FY 2004-05.

The Cancer Research Program's funding was completely eliminated. This funding elimination resulted in the cancellation of high quality research grants that were being negotiated. California researchers lost funding from the state for crucial cancer research and lost additional federal dollars for subsequent research that resulted from the State funding source.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Communicable Disease Control

Total Positions: 14.0
Total Savings: $2,413,356 General Fund: $2,413,356 Other Funds: $0

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

DHS discontinued support of the Valley Fever Vaccine Project. This project, which began in 1997/98, is in the last couple years of research and animal trials before human clinical trials of a vaccine against a disease of public health significance in California. DHS support accounted for approximately 45% of all support dedicated to this project.

The diagnostic testing capacity in the laboratory (serology, culture, molecular) for insect borne viruses will be reduced by 25%. There are fewer resources available for certifying the Public Health Vector Control Technicians employed at local agencies to apply pesticides for public health purposes. There are significant reductions to the services performed in the mandated Rabies Control program and the mandated Wild Animal Importation Program. As a result of the reductions, outbreaks in Sexually Transmitted Diseases (STD) will be managed on a priority basis.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Environmental and Occupational Disease Control

Total Positions: 28.0
Total Savings: $2,844,113 General Fund: $1,615,512 Other Funds: $1,228,601

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The elimination of the only position that had industrial hygiene expertise in the Occupational Health Surveillance & Evaluation Program has seriously impacted the program's ability to conduct investigations and follow-up of workplace injury & illness mandated by Health & Safety Code 105175. The program has prioritized remaining workload so that adverse impacts are mitigated to the extent feasible.

Occupational Lead Poisoning Prevention Program (OLPPP), having lost the PH.D. level expertise and leadership of its program supervisory position, has had to prioritize the remaining workload among staff and shift supervisory duties to the Branch Chief. This lack of technical expertise in industrial hygiene and high-level management has resulted in less effective and less timely follow-up of lead poisoning cases and delivery of preventive services to lead industries that fund this program through a special fee.

The elimination of the Associate Toxicologist position has reduced the timeliness and effectiveness of the Hazard Evaluation System and Information Service Program functions and activities in responding to its mandates. These mandates include activities such as evaluating scientific toxicological information, identifying new hazardous workplace chemicals, and issuing hazard alerts and advisories to workers, employers, and others to prevent occupational illness.

With this reduction, the California Birth Defects Monitoring Program's collection of birth defects data and research in Santa Clara and San Francisco Counties has been eliminated.

Other various position reductions have seriously impacted the quality, timeliness, and effectiveness of all the program/activities within this division.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Drinking Water and Environmental Management

Total Positions: 22.0
Total Savings: $1,757,115 General Fund: $626,765 Other Funds: $1,130,350

# How was reduction implemented?

Program is in the process of prioritizing regulated water systems to ensure that those systems that serve the largest populations have the most frequent oversight.

Applicants for loans and grants for public water system improvements are being informed that they will encounter delays in receiving funding.

# What was the actual effect of this reduction?

As stated in the Department's summary, a redirection of resources will be required to mitigate the impacts of the elimination of positions responsible for the oversight of public water systems. Delays in the review of loan and grant applications for Public Water System Infrastructure improvements may occur.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Food, Drug, and Radiation Safety

Total Positions: 32.0
Total Savings: $2,468,601 General Fund: $1,735,934 Other Funds: $732,667

# How was reduction implemented?

General implementation is discussed under the Departmental summary.

# What was the actual effect of this reduction?

The reductions have resulted in a shift in the focus of inspections and enforcement activities of the Division to the areas of highest violation only. Reductions have resulted in the termination of the Methadone program.

Inspections of food processors will be completed based upon an assessment of risk. As a result, some food processors will not be inspected.

Fewer complex inspections of radioactive material licensees will be completed. These inspections are based on an assessment of risk.

Loss of positions has resulted in fewer youth tobacco enforcement operations to detect unlawful sales of tobacco products to minors.

The loss of research scientists, health physicists, and public health laboratory staff delays evaluations of medical devices performed by the Medical Device Safety Section staff and the performance of laboratory investigations of food borne illness outbreaks by the Food Safety Section staff. The loss of radiology laboratory staff delays the issuance of licenses to doctors and radiological technicians, as well as registration of x-ray machines.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4260

**Department:** Health Services

**Program:** Prevention Services - Laboratory Science

Total Positions: 30.0
Total Savings: $1,901,396 General Fund: $398,973 Other Funds: $1,502,423

# How was reduction implemented?

General implementation is discussed under the Department summary.

# What was the actual effect of this reduction?

The Environmental Laboratory Program and the Licensing Programs for Laboratories and Laboratory Personnel are currently unable to perform functions and activities in a timely and efficient manner. These functions and activities include: process applications, hold examinations, respond to complaints, perform inspections, write regulations, answer phones, open mail, cash and deposit checks, or respond to written inquiries. Employees have been redirected to mitigate the impact on program activities and functions.

Department Director Approval: _____ Date: 3/24/04

Agency Secretary Approval: _____ Date: _____

**Control Section 4.10**
**Reductions By Program**

**Org. Code:** _4270_____

**Department:** __California Medical Assistance Commission (CMAC)_____

# How was reduction implemented?

CMAC negotiates hospital inpatient and managed care contracts for the Medi-Cal program. The Commission currently manages over 230 hospital contracts and 20 managed care contracts. Last fiscal year those contracts saved the State General Fund over $700 million compared to what the State would have paid under California's Medicaid State Plan without CMAC's contracting programs. Since its inception in 1983, CMAC's contracting programs have saved the State General Fund over $7 billion.

In response to Control Section 4.10, CMAC was required to eliminate two of its 15 budgeted staff positions (already down from 18 net budgeted staff positions in FY 2000-01), along with associated OE&E costs, and some temp help funding. The two positions that were eliminated included an Administrative Assistant and the position of Supervising Negotiator/Deputy Director. Both positions were vacant at the time they were eliminated. These reductions are saving the State $144,000 per year in budgeted expenditures.

The Supervising Negotiator/Deputy Director position had become vacant in April 2003 when the incumbent was appointed to replace the retiring CMAC Executive Director. A replacement was recruited and appointment documents were forwarded to the Governor's Office for approval in May 2003. Due to the length of the review process at the Governor's Office, the position was still vacant at the time the final Section 4.10 reduction decisions were made. The fact that the position was vacant at that time was not a reflection of any diminished need for it at CMAC, then or now.

# What was the actual effect of this reduction?

While the lack of the Administrative Assistant position has required more crosstraining of support staff and more variability in their work assignments, the primary impact of the Section 4.10 reduction process on CMAC has been due to the extended vacancy and eventual elimination of the Supervising Negotiator/Deputy Director position. This position had key responsibilities in the contract negotiation process, in internal office

and project management, and in the establishment and maintenance of relationships with other state agencies and with outside groups. The inability to restaff this position has resulted in:

- a reduction in the effectiveness of CMAC negotiations, resulting in outcomes that could cost the State millions of dollars
- delays in the completion of various CMAC projects and studies designed to improve the options and flexibility available to the State in the negotiation process
- a deterioration in the effectiveness of CMAC's relationships with other state agencies and outside groups

Achieving the results desired by the Legislature in the current severely constrained budget environment will require a greater commitment of staff resources than in the past to handle significantly more protracted and difficult negotiations. The loss of the Supervising Negotiator position will make satisfactory resolution of those negotiations much more difficult to achieve.

Department Director Approval: J. Keith Berger Date: 3/12/04

Agency Secretary Approval: N/A Date: _____

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Attachment I

# Control Section 4.10
# Impact of Reductions by Program

**Org. Code:** 4280

**Department:** Managed Risk Medical Insurance Board

***How was reduction implemented?***

The Managed Risk Medical Insurance Board's (MRMIB) reduction in personal services totaled $750,000, approximately 14% of our total support budget. Of this $750,000, $247,000 was General Fund. In order to meet this level of reduction, nine permanent positions and one limited-term position were eliminated, a reduction was made in the time-base for one position and the Board made reductions in overtime and temp-help funding. Funding proposed for the establishment of a three-year limited term position to work on the Proposition 10 Oral Health Initiative (funded by Prop 10 and federal SCHIP funds) was instead used to fund an existing position, resulting in the loss of the limited term position. Of the ten positions eliminated, five were vacant, two staff obtained employment in another department, one accepted private employment, one was placed in a position that became vacant, and one staff member was laid-off.

***What was the actual effect of this reduction?***

The eliminated positions accounted for 14% of MRMIB's total July 1, 2003 workforce. The drain on resources has also resulted in the inability to travel and participate in statewide and national conferences. California used to be in the forefront on cutting edge issues, however due to reduced staffing and elimination of our travel budget our participation has been minimal.

Following are brief descriptions by Division/Section, which identify the positions that were eliminated and the specific impact that their loss has had on MRMIB's operations.

**<u>Legislation and External Affairs</u>**
**One AGPA in Legislation and One Information Officer I Specialist**

With the loss of the AGPA for Legislation the Legislative Unit is comprised solely of a legislative coordinator. The specific actual effects of this staffing reduction are:

- Reduced ability to provide attention to state and federal legislation needed to ensure protection of program interests
- Delays in our ability to track all of the health care related bills and coordinate bill analysis.
- Delays in responding to inquiries from legislative staff.
- Decreased coordination with legislative staff on clean-up legislation.

The loss of the Information Officer I position has left this workload uncovered by a dedicated staff person with training in this area. This was the only position on the staff working on media issues. The specific actual effects of this staffing reduction are:

- Public inquires and media requests for information on MRMIB's programs, as well as written responses (such as op Ed letters); have been absorbed by executive and management staff.
- MRMIB is currently redirecting staff only when needed to address high priority or major issues in this area.
- Inability to work with the Governor's Office and Agency staff on the coordination of press events and public events.
- Limited exposure to media coverage related to state and national health, business and government issues that impact the Board's operations.

**Legal Office**
**Staff Counsel III**

The loss of the Staff Counsel III position has resulted in the Chief Counsel's having to single-handedly staff all four health insurance programs (including new duties related to the implementation of AB 495, AB 1401 and tracking requirements of SB 2), in addition to serving as MRMIB's Ethics Officer, providing legal consultation to the Board, and remaining responsible for all duties as a member of the senior management team. Additionally, the duties of the legislative deputy have been added to those of the Chief Counsel. The specific actual effects of this staffing reduction are:

- Reduced capacity to staff the administrative hearings that grow out of appeals filed in MRMIB's three programs.
- Delays in processing inter-agency agreements.
- The inability to adequately document and formalize legal advice in the form of formal and informal legal opinions.

**Eligibility Division**
**Two AGPAs and Student Assistant**

The loss of the three positions has resulted in the eleven remaining staff having to absorb the workload, a 25% increase for each staff person. Given the amount of overtime current staff work, these duties could not be absorbed. The specific actual effects of these staffing reductions are:

- Reduced ability to respond as timely to appeals from applicants, advocates, & legislative staff.
- Delays in responding to public records requests.
- Delays in responding to CMS' questions on State Plan Amendments, such as the AB495/AIM SPA, have delayed CMS approval and receipt of federal funds.
- Delays in completing the regulatory development process.
- Difficulties putting all the necessary pieces in place to timely implement program changes approved in statute and the Budget Act. (I.e. regulations, state plan amendment, business rules for the administrative vendor, administrative vendor contract amendment, and changes in the application and program handbook.)
- Reduced ability to monitor administrative vendor performance and accuracy.
- Delays in providing timely reviews of cases alleging fraudulent applications.
- Increased overtime for remaining staff.

## Benefits and Quality Monitoring Division

**One SSA, One AGPA Limited Term Position**

The loss of these two positions has resulted in eight remaining staff having to absorb the workload, a 25% increase for each staff person. Given the amount of overtime current staff work, these duties could not be absorbed. The specific actual effects of these staffing reductions are:

- Delays in the submission of federally required and State mandated reports.
- Reduced ability to monitor the implementation of Rural Health Demonstration Projects and the Oral Health Demonstration Projects by participating plans and their network partners. In addition, staff is unable to provide on-site technical assistance to plans and their network partners when implementation issues arise.
- Impaired ability to respond timely to member complaints and appeals.
- Impaired ability to monitor plan compliance with contract performance standards.

## Administration Division

**Two Associate Administrative Analysts (AAA), reduction in time-base for one additional AAA in Financial Operations**

The loss of the two positions and reduction in time-base for one position (from full-time to half-time) has resulted in the three remaining full-time staff having to absorb the workload, an 84% increase for each staff person. The specific actual effects of these staffing reductions are:

- Delays in developing financial accounting and payment systems for the new County Health Initiatives program.
- Increased risk of federal audit exceptions of our fiscal practices which the federal Office of the Inspector General (OIG) is auditing in the near future.
- Delays in making AIM plan payments. MRMIB was late paying two invoices and will be assessed additional cost for late payment penalties.
- Significantly impaired ability to audit plan loss ratios. Only a third of the 27 plans have been audited and at most only one plan could be audited in the current year.
- Delays in performing administrative vendor reconciliation in MRMIP to ensure the financial integrity of premium collections in MRMIP.
- Delays in implementing a cash flow model for MRMIP and the AB 1401 Pilot Program, which is necessary to maximize enrollment in both programs within the $40,000,000 appropriation.
- Delays in designing an automated reconciliation system for AIM payments
- Delays in development and implementation of HIPAA compliant payment systems.
- Limited ability to cross train in the payment systems for Board programs, which increases potential for delays in plan payments and Prompt Payment Act penalties.

**One Associate Programmer Analyst in Information Technology**

Without this position, MRMIB is down to one programmer position in the information technology section. The specific actual effects of this staffing reduction are:

- Delays in development of HIPPA compliant transaction and code set requirements and HIPAA compliant information security requirements.
- Limited ability to assist the transition of information technology to the new HFP/AIM administrative vendor, which has caused problems in the timely interchange of electronic data.
- Delays in developing statistical reports needed to perform reconciliations of monthly administrative vendor claims.
- Delays in submitting required annual federal SCHIP expenditure and statistical reports.
- Delays in the development of an information system to support AB 1401 Pilot Program reconciliations and program evaluation.
- Limited ability to respond to inquiries from state and federal control agencies on a timely basis.
- Limited ability to cross train staff, which leaves the entire Board more vulnerable to system breakdowns and delays in the support and production of ongoing reports.

Department Director Approval: Lesley Cummings Date: 3/22/09

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4300

**Department:** Developmental Services

**Division:** Distributed Administration

## How was reduction implemented?

- 22 vacant positions were eliminated, and the incumbents in the 12.5 filled positions that were eliminated were reassigned within the department. This was out of a total of 159 positions or 21.7% within the Administration Division. The eliminated positions were in support of both the Community Services Program and the Developmental Centers Program. Additionally, as lower seniority employees were noticed regarding surplus status, fourteen of them sought employment elsewhere. Remaining staff have absorbed the workload associated with these positions or the functions have been eliminated.

## What was the actual effect of this reduction?

### Human Rights, Legislation and Legal Affairs

- Human Rights and Advocacy Services - The statutorily required, timely investigation, and response to complaints in the Early Start program is being absorbed by other employees, resulting in delays in completion of other assignments, including Welfare and Institutions Code, Section 4731 complaints, citizenship complaints, legislative analysis, contract monitoring, and response to public inquiries and concerns.

- Legislation - The Department's ability to serve as liaison in implementing the legislative and regulatory agenda on behalf of the California Health and Human Services Agency and the Administration has been impeded. The position elimination also has jeopardized the channel of continuous communication with members of the Legislature, their staff, other governmental agencies and the press.

- Legal Affairs – Complaints filed pursuant to the Welfare and Institutions Code, Section 4731 and nominations of the Director to be conservator received from

regional centers and others cannot be responded to in a timely manner. The Department is beginning to delay petitioning the court for conservatorship, and in some cases, deny the request.

**Personnel Services, Labor Relations, and Customer Support Sections**

- Personnel Services – There are delays in response times on all personnel-related duties. In addition, the reduction in staff has resulted in fewer exams being given for both Headquarters and the DCs resulting in delays in hiring.

- Labor Relations – The Department no longer has representation at statewide bargaining for Units 16 and 20, forcing the reliance on input from other departments or the Department of Personnel Administration to protect its management interests. Existing staff have had to assume increased workloads.

- Customer Support – Property management functions have been reduced to meet statutory or control agency requirements. Contract issues are spread among fewer staff resulting in delays in processing. This in turn impedes the function of the program the contract is designed to assist.

**Audits, Accounting and Client Financial Services Sections**

- Audits – Five vacant positions were eliminated due to Control Section 4.10. In addition, seven staff with minimal seniority, out of a total of nineteen staff in the Audits Section, left in response to the Department's layoff plan. As a result, the field audit staff was reduced by almost 50 percent. While the Department has requested and may be granted a freeze exemption to fill the positions vacated by the less senior staff, the recruitment and appointment of this staff will not occur in less than 3 months. As a result, the Department will not be able to maintain the two-year cycle of regional center audits, as required by the Home and Community-Based Services (HCBS) Waiver. It is expected that the cycle may extend beyond three years. The Department's ability to meet its commitment to adequately audit the HCBS Waiver and provide adequate assurance that increased billings to the HCBS Waiver accurately reflect actual services is hindered and the Department's ability to pass the next federal audit of the HCBS Wavier may be compromised.

- Client Financial Services – Client Financial Services reductions are resulting in delays in Medicare and Parental Fee revenue recovery.

**Information Systems**

- The Department's compliance with existing Health Insurance Portability and Accountability Act regulations is impacted.

- The Department's TV Center closure has resulted in the loss of cost effective video production services to other state entities and not-for-profit organizations. Further, it has eliminated the Department's ability to produce video training tools and reduced DDS' outreach and marketing efforts.

- Network security mandates are not being met for DDS' Headquarters, the five developmental centers, and two State-operated community facilities.

- There is a slower response time on tasks related to the technical support of the cost recovery system linked to billing for consumer's care because these functions have been absorbed by less experienced staff.

- Network cabling and fiber connectivity issues cannot be resolved without intervention from DGS because of the lack of experienced staff. This has resulted in the interruption to DDS' employee's use of the network and connection to mainframe access (HHSDC) for business functions. This has also meant increased costs related to DGS fees to fix these issues and delays in DGS response time. In addition, server builds, configurations, and server hardware/software troubleshooting has been delayed, or not done, at all until another staff member has time to complete the task.

- The lack of staff to coordinate with vendors on warranty services for equipment repairs has resulted in delays in repair or equipment not being fixed at all.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

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Control Section 4.10
Reductions By Program

**Org. Code:** 4300

**Department:** Developmental Services

**Division:** Developmental Centers Program

## How was reduction implemented?

- The 2.5 positions lost within the Headquarters Developmental Centers Division (DCD) were vacant, and were therefore, offered for the reduction to reduce the number of people who would have been impacted by a layoff. The total positions now in DCD are 26.5. These positions had been on a priority list to fill, but the budgetary constraints delayed recruitment efforts and positions were then eliminated. The workload has been absorbed by other employees or is no longer being addressed.

- The 31 positions lost within the Developmental Centers and Canyon Springs were associated with population savings due to a decline in actual population during 2002-03 that resulted in a beginning year variance, as compared to the budgeted level. However, this adjustment is a permanent reduction to the position base for the DCs.

## What was the actual effect of this reduction?

### Developmental Centers Division – Headquarters

- Data on admissions, placements, information relating to population demographics of the Secure Treatment population, etc., can no longer be maintained and produced as rapidly as previously done, resulting in delays in responding to requests from management, external control agencies, regional centers, etc.

- The lack of analytical support in this Branch has resulted in workload being shifted to the Regional Resource Development Projects (RRDP) in the field, causing these staff to be redirected from the activities relating directly to consumer.

- The Department must now procure architectural expertise at higher costs (labor, overhead, travel, etc.) from the Department of General Services and consultants in order to meet the mandates for compliance with the Federal Conditions of Participation for certification, the Life and Safety Code and Fire Marshall requirements due to the loss of the Senior Architect position.

- There are transfers of telephone calls requiring callers to wait long periods of time for responses due to the lack of office technician support. Further, routine work is often delayed, deadlines are difficult to meet, and highly paid professional and management staff are required to spend time completing clerical tasks.

**Developmental Centers**

- This reduction is directly related to a reduction in caseload.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4300

**Department:** Developmental Services

**Program:** Community Services Program

## How was reduction implemented?

- The 19.5 positions approved as part of the 2003-04 Budget Change Proposal process for Enhancing Federal Financial Participation, Phase II and Self-Determination were eliminated. Additionally, as lower seniority employees were noticed regarding surplus status, many of them sought employment elsewhere.

- The 19.5 positions lost constituted an 18% reduction in staff which were for support of self-determination, quality assurance and improvement, risk management and mitigation, monitoring regional centers' federal program compliance and for increasing federal funding for state transportation expenditures.

## What was the actual effect of this reduction?

### Community Services and Supports Division

- The Independence Plus Waiver application will not be completed or submitted during current year and the federal funding for expanding self-determination will be delayed until 2005-06. Existing staff resources will continue to work on developing this waiver, but the timelines have been extended into 2004-05 and 2005-06.

- No additional work has been done on developing the quality management system. The Department was successful in obtaining a federal "Real Choice" grant for Quality Assurance that will allow for some progress to be made over the next three years in designing a model to comply with the Centers for Medicare and Medicaid Services (CMS) expectations.

- The health and wellness program has been scaled back to mandated efforts only. Interagency efforts have been terminated, a technical assistance program to physicians has been terminated, physician training, the risk management program, and the oral health program have all been scaled back.

**Community Operations Division**

- The Department's current initiatives to increase federal funding have slowed and its capacity to aggressively pursue new federal funding has been eliminated.

- The Department has been prevented from expanding its monitoring of regional centers' compliance with state and federal requirements to ensure that the state is meeting its programmatic commitments to the CMS for the state's Home and Community-Based Services Waiver (Waiver) program for persons with developmental disabilities. The Waiver now generates over $550 million in federal funding annually, and has more than doubled the number of beneficiaries served within the past two-and-a-half years, yet the sample size used for monitoring has remained unchanged due to resource limitations.

- The Department's ability to proactively address statewide public policy and rate issues affecting approximately 28,000 developmentally disabled consumers living in about 4,400 community-based residential care facilities has been eroded.

- The Department's ability to monitor regional centers' operations and to address issues involving special incident reporting and contract compliance has been weakened.

- The Department's ability to analyze Purchase of Services expenditures for transportation, reconcile projected billable amounts with past experience in Waiver-related billings, manage the ongoing revenue generation related to Waiver funded transportation, and to maximize federal funding for transportation services is compromised.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4440
**Department:** Mental Health

**Program:** Departmental Administration

# How was reduction implemented?

For Departmental Administration a total of 21.0 positions (approximately 15 percent of authorized positions) were identified for elimination pursuant to the Control Section 4.10 drill. The Department of Mental Health (DMH) was able to implement this reduction by reducing positions that had been vacant and by providing placement options for persons whose positions were being eliminated by way of Control Section 4.10. No layoffs were necessary. However, one person will be demoted, effective April 1, 2004.

# What was the actual effect of this reduction?

Departmental Administration has identified the following issues related to the reduction of positions per Control Section 4.10:

- The coordinated recruitment effort for the state hospitals and inpatient psychiatric programs that has been provided by headquarters staff has been eliminated and shifted back to the facilities. This results in additional costs from the duplication of recruitment activities by each of the DMH facilities. The sharing of information and other statewide efforts such as the development of on-line recruitment tools and responding to employment inquiries will either not occur or decrease once shifted back to the facilities;

- A loss of virtually all clerical backup for support of professional staff. Many units in Administrative Services have no clerical support. Therefore, analysts are required to provide phone coverage and perform other clerical functions;

- A loss of customer service and an overall reduction in services to DMH headquarters staff in areas such as procurement, warehouse storage and retrieval and work area changes.

- Review and approval of grievance and complaint responses are taking longer as they must now be reviewed and approved a higher level within DMH.

- A loss of one-third of the staff devoted to payroll and benefits for headquarters staff. The supervisor and other analysts must spend portions of their time helping in this area, which means that the analytical work is backed up as payroll is generally given the highest priority. Pressure to continue providing accurate pay and benefits to employees is resulting in more errors and, to this point, small oversights. Personnel can no longer provided one-on-one service to employees.

- More overtime costs will be incurred in the year-end closing process, as there is less staff to cover the workload necessary to ensure timely submission of the year-end financial statements;

- The network support staff was cut by 33 percent at a time when security issues have become a daily occurrence. An outside contractor was hired to put processes in place to protect patient data and minimize network downtime.

- Over 85 percent of DMH workstations are over four years old and out of warranty. The help desk staff are not able to keep up with necessary hardware repairs and software malfunctions. At any given time six to ten staff are adversely affected by equipment that is in need of repair and/or software reconfiguration.

- Due to reduced staffing levels in Information Technology control agency documentation and reporting has not been completed for ongoing projects.

- DMH will no longer be collecting, summarizing or reporting realignment receipts and disbursements to the counties. The counties will have to obtain some if this information directly from the State Controller's Office, but it will not be in a format with which they are familiar.

- Reduced ability to respond to ad hoc requests for cost and service data for researchers and other constituents

- A hindrance of progress by DMH in completing the assessment and remediation necessary to implement the Health Insurance Portability and Accountability Act.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4440
**Department:** Mental Health

**Program:** State Hospitals

# How was reduction implemented?

Each of the four state hospitals (Atascadero, Metropolitan, Napa and Patton) was required to reduce a total of 50 nursing/psychiatric technician positions each as part of the Control Section 4.10 drill. All 200 of these level-of-care (LOC) positions were taken from existing vacancies. Therefore, no layoffs were necessary to implement these reductions. Funding associated with these positions was retained by each of the facilities to pay overtime and registry costs. For several years the hospitals have experienced extreme difficulty in recruiting and retaining a sufficient number of nurses and psychiatric technicians to fill their authorized positions. In order to deliver the level of care and treatment required by licensing and to ensure the safety and security of the facility, hospitals have been using overtime and registries to ensure adequate staffing is available for the number and type of patients served in the Department of Mental Heath (DMH) state hospitals.

In addition to the 50 LOC positions as each of the four state hospitals, each hospital and the Inpatient Psychiatric Program at Vacaville were also required to reduce a total of 41 non-LOC positions, ranging from 1 at Vacaville to 16 at Napa State Hospital. All of these reductions were implemented by using existing vacancies or by providing placement options for employee whose positions were being eliminated pursuant to Control Section 4.10. No layoffs were necessary.

# What was the actual effect of this reduction?

The actual impact of the reduction of the 200 nursing/psychiatric technician positions was somewhat minimized by the fact that the funding was retained to pay overtime and registry costs. While far from ideal, with the nursing shortage the hospitals have been operating for several years by relying on the use of overtime and registries.

Since each of the hospitals lost non-LOC positions in various areas throughout their operations the actual effect varied considerably.

Atascadero – 11 non-LOC positions (approximately 1.5 percent of authorized non-LOC positions)

- Delays in critical functions and services provided by the Health and Safety Officer and the Assistant Health and Safety Officer, including CalOSHA issues and ongoing compliance issues with the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) compliance requirements.

- Reduced ability to meet new CalOSHA requirements such as the Hearing Conservation Program. Delays in accident investigation and implementation of the DMV on-line system to meet driving requirements specified in the State Administrative Manual.

- Delays in preparation of procurement documents resulting in longer time frames for the purchase of needed goods and the payment of bills.

- Loss of a staff person specifically designated to assist the procurement department in eliminating deficiencies identified by the Bureau of State Audits. This position was going to provide ongoing oversight and monitoring to ensure the efficient and appropriate procurement of goods and services.

- Disruption to the hospital's personnel operation. The loss of day-to-day supervision has impacted the senior manager's ability to assist in other critical functions in the Human Resources Department including ongoing compliance with JCAHO and licensing standards, provision of mandated training to all new hires and the recruitment of qualified patient care staff.

- The hospital has only one individual assigned to position control and classification and pay for more than 2,100 employees. This results in overtime payments and delays in processing hiring documents and position control documents. Processing errors also occur because there is no well-trained backup. Loss of a number of positions in Human Resources prevents the redirection of staff.

- Maintenance of the training database to meet JCAHO requirements, the annual budget and training plan and the annual evaluation of training and expenditure tracking is done by professional staff which decreases their ability to provide training that is mandated to patient care staff.

- There is a backlog in filing criminal complaints with the court, copying police records for the courts and outside agencies and completion of security access clearances.

- Reduced ability to supervise food service staff to ensure safety, security and compliance with regulatory agency requirements.

- Loss of ability to project hospital need and purchase of clothing and patient clothing for a 1200-bed facility. Loss of supervision of staff and patient workers in the laundry areas.

<u>Metropolitan – 5 non-LOC positions</u> (less than 1 percent of authorized non-LOC positions)

- Loss of information technology support for Metropolitan staff located at the CYA facility where DMH is operating 20 beds, including ensuring access to the pharmacy and dietary systems that are operating at Metropolitan.

- Increased overtime for remaining telephone operators to ensure coverage is available 24 hours per day, 7 days per week. A disruption in service delivery and employee work schedules to ensure all shifts are covered.

- Loss of work training programs in the secure compound.

- Loss of ability to stay ahead of needed preventive maintenance for an aging facility that requires constant repair for a variety of mechanical systems. Impact on maintenance of essential utility systems.

Napa State Hospital – 16 non-LOC positions (approximately 2 percent of authorized non-LOC positions)

- Backlog of data collection and retrieval of medical information typically done by clerical staff. Professional staff must now provide their own clerical support, which impacts their day-to-day workload in the area of research.

- Loss of clerical support to assist in the processing of an increased demand for psychological testing which has resulted in delays in the completion of forensic-psychological risk assessments. The Department of Health Services has noted this as a deficiency for the state hospital related to licensing standards.

- Loss of a position assigned to monitor and analyze newly implemented processes and established plans of corrections to address citations and deficiencies received by the hospital.

- Loss of the first-line supervisor for 10 Information Technology staff. All supervisory functions now rest with the Information Technology Manager which takes him away from many of the hospital wide planning issues that are critical as the facility addresses population growth and expanded expectations for electronic records and automated processes. Also will impact the hospital's ability to ensure compliance with the requirements of the Health Insurance Portability and Accountability Act.

- Delayed implementation of a critical development application that provides direct support for LOC staff.

- Impacted the ability of the Health Information Department to provide timely assistance to clinical staff that need to review patient medical records. Access hours for the Health Information Department have been reduced from 9.5 to 8. Other Health Information Department staff now have to monitor access to this secured area of the hospital.

- Loss of direct supervision for 10 Accounting staff. Difficulty in providing timely and accurate information on expenditures, reimbursements and encumbrances.

- Increased delays in processing of client funds and an impact on the proper delivery of required services to outside vendors.

- Impact on the hospital's ability to accomplish needed repairs to ensure that buildings are maintained in good condition. The hospital is already behind on repair and maintenance projects which could impact both licensing and accreditation. May also lead to more costly repairs where delays occur.

- Lack of clerical support in the Dietetics Department delays the preparation of purchase orders and the production of dining room menus.

- Reduced ability to monitor and maintain a clean and tidy storeroom where supplies must be monitored and action taken if dented cans are received or containers become unlabeled.

- Increased supervisory responsibilities for the remaining food services supervisors for a facility that has multiple dining rooms.

Patton State Hospital – 8 non-LOC positions (approximately 1 percent of authorized non-LOC positions)

- Impact on the hospital's communication with the courts and other agencies concerning court hearings, admission and release of hospital patients.

- Increased overtime to compensate for the loss in the hospital's telephone office, which must be staffed 24 hours per day, 7 days per week. Communication equipment is not being maintained.

- Delays in transcription of reports and creation of a backlog on patient reports that are required to be sent to the courts.

- Significant impact on the coordination and provision of volunteer services to hospital patients. Significant slowdown in soliciting and processing volunteers and managing donations for the hospital especially for the discharge boutique that provides needed clothing and other items to patient's discharging from the hospital.

- A backlog of 137 work orders in the carpenter shop.

Vacaville – 1 non-LOC position) (approximately 2 percent of authorized non-LOC positions)

- Loss of clerical support to the Assistant Hospital Administrator that has delayed revisions to administrative manuals. There is no longer any backup for the Executive Director's clerical support staff.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 4440
**Department:** Mental Health

**Program:** Long Term Care Services

# How was reduction implemented?

For Long Term Care Services a total of 7.0 positions (approximately 13 percent of authorized positions) were identified for elimination pursuant to the Control Section 4.10 drill. No layoffs were necessary. The Department of Mental Health (DMH) was able to implement this reduction by eliminating positions that had been vacant and by providing placement options for persons whose positions were lost pursuant to Control Section 4.10. One person was transferred into a state hospital position.

# What was the actual effect of this reduction?

Long Term Care Services has identified the following issues related to the reduction of positions per Control Section 4.10: (1) one third fewer evaluations of potential Mentally Disordered Offenders (MDOs) will be completed by state staff thereby increasing the number that must be completed by private contractors resulting in increased costs; (2) special incident reports from the state hospitals are not processed on a timely basis; (3) there is no headquarters support for recruitment activities and reduced support to the California Memorial Projects; (4) there is no clinical records resource in headquarters; (5) there will be no analysis of sexually violent predator (SVP) evaluation trends, no research on sex offender predictors and no tracking of SVP referrals after prison or hospital release; and (6) there is no backup for the one remaining Program Technician assigned to the Conditional Release Program. This position is responsible for assigning, receiving and processing MDO evaluations.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

Control Section 4.10
Reductions By Program

**Org. Code:** 4440
**Department:** Mental Health

**Program:** Community Services

# How was reduction implemented?

For Community Services a total of 19.0 positions (approximately 11 percent of authorized positions) were identified for elimination pursuant to the Control Section 4.10 drill. The Department of Mental Health (DMH) was able to implement this reduction by eliminating positions that had recently been restored by the Administration as a result of the decision to not realign certain mental health categorical programs in Fiscal Year 2003-04, by reducing positions that had been vacant and by providing placement options for persons whose positions were being eliminated by way of Control Section 4.10. No layoffs or demotions were required, as sufficient vacant positions existed within the program to accommodate staff. The impact of position reductions over the last several years required one of the two divisions that make up the Community Services Program to reorganize their operation to redistribute workload and make maximum use of their remaining staff resources.

# What was the actual effect of this reduction?

Systems of Care eliminated most of their program specific staff and transferred them to more generic responsibilities. This reduces the Department's ability to provide program support, technical assistance and oversight/monitoring to ensure fidelity to the model for the Department's categorical programs, including AB 2034—integrated services to the homeless and the Early Mental Health Initiative. Although there are additional responsibilities in Medi-Cal policy, DMH has only been able to maintain the prior level of staffing. In Medi-Cal the staff is focused only on the most critical issues, with ongoing issues, such as completing the final regulations, receiving little attention.

Program Compliance has identified the following issues related to the reduction of positions per Control Section 4.10:

- Delays in the sorting, processing and tracking of criminal background requests from Psychiatric Health Facilities and Mental Health Rehabilitation Centers that are required for licensing or re-licensing. There will be delays in approving employees to be hired by these facilities.

- A plan to reduce or perhaps eliminate the audit of 150 county contract providers of mental health services.

- A reduction in the number of annual outpatient and inpatient program compliance reviews.

- A further delay and increased errors in processing incoming preadmission screening and resident review Level I documents. DMH is already behind in meeting required timelines established in law. The review and processing of incoming Level I documents is becoming more automated and less individualized, resulting in failure to identify some persons needing evaluation for appropriate placement and mental health services.

- The backlog of second level Treatment Authorization (TAR) appeals will continue and increase. DMH will not be able to bill and collect approximately $50,000 for these services.

- Delays in conducting licensing and certification visits and responding to complaints that require on-site visits to investigate. It is difficult to assess the practical impact of these delays. However, facility licenses will not be renewed on a timely basis, with a possibility for as much as a six-month delay.

Department Director Approval: _____ Date: 3-22-04

Agency Secretary Approval: _____ Date: _____

BL 04-03

**CONTROL SECTION 4.10**
**Reductions by Programs**
**March 16, 2004**

**ORG. CODE: 4700**

# Department of Community Services and Development (CSD)

## HOW WAS REDUCTION IMPLEMENTED?

CSD is a 100% federally funded department. Consequently, the Department of Finance reduced personal services by $680,000 (9.8 positions) or 10% of CSD's State Operation's budget.

The 9.8 position cut was entirely taken from vacancies. No layoffs were necessary.

## WHAT WAS THE ACTUAL EFFECT OF THE REDUCTION?

The loss of 5.8 of the 9.8 positions was absorbed without a specific effect on program operations other than greater span of control for managers.

The loss of 2 positions affected Administration/Information Technology (IT) as follows: CSD delayed new application proposals, application development and expansion of online services via the CSD website. For example, the information technology position reductions delayed new application systems such as the Community Services Block Grant (CSBG) Program statewide data aggregation of outcomes and results reporting. Furthermore, the Weatherization Program automation that would allow CSD to provide more comprehensive results reporting was "tabled". Information technology does have a prioritized list of initiatives ready to be addressed; however the position reduction has caused delays that translate to increased cost to implement, additional inefficiency with redundant manual processing, and lost opportunity to leverage technology for internal and external customers.

The loss of 2 positions affected Program/Field Operations as follows: Two of the deleted positions were in the Field Operations Unit (responsible for monitoring), CSD's agency training, field visits and follow-up on agency deficiencies slipped during the 2002-2003 Fiscal Year. CSD has now redirected staff to ensure CSD complies with federal monitoring mandates; however, agency training and outreach has been cut back which may result in additional corrective action reports identified during monitoring reviews of agencies.

Department Director Approval: _____ Date: 3/16/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 5160

**Department:** Rehabilitation

**Program:** Vocational Rehabilitation Services

# How was reduction implemented?

The department eliminated 2 positions in the Specialized Services Division, and 70.1 in the Employment Preparation Services Division (EPSD) for a total of 72.1 in the Vocational Rehabilitation Services (VR) Program. Of the two positions in the Specialized Services Division, one provided clerical support to the Business Enterprise Program and the second position was a Senior Vocational Rehabilitation Counselor in the Services for the Deaf and Hard of Hearing Section. The 70.1 positions eliminated in the EPSD were located in each of the remaining 15 district offices throughout the state and included a variety of classifications. As part of the ongoing position reductions over the last two years, the department also reduced the number of district offices from 17 to 15 by closing branch offices and reorganizing the remaining branches under other districts.

# What was the actual effect of this reduction?

This reduction will delay the provision of vocational rehabilitation services to the DOR's consumers. More specifically, staff reductions have driven up the counselor to consumer ratio from the recommended level of 1:85 to 96:1. In addition, based on FY 2004-05 caseload projections and staffing levels for the VR Program, this ratio is expected to rise to 101:1 by June 30, 2005. At levels this high, counselors will not have sufficient time to spend with each consumer, which will result in declines in gainful employment for DOR consumers. In the past, the DOR experienced a 45.3% successful closure rate in FY 1997-1998 with a counselor to consumer ratio of 1:98 as compared to a 53.9% successful closure rate in FY 2002-2003 with a ratio of 1:93.

Due to the reduction in the number of district and branch offices, consumers in affected areas of the state will be required to travel longer distances at a greater cost to receive VR services. This can be problematic for consumers whose mobility is limited and for which incomes are fixed. In addition to impacts on consumers, position reductions will affect remaining DOR staff, as they will be required to assume increased workloads.

Department Director Approval: _____ Date: 3/17/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 5160

**Department:** Rehabilitation

**Program:** Support of Community Facilities

# How was reduction implemented?

One vacant position was eliminated in the Community Resources Development Section (CRDS). The position eliminated was the chief of the section.

# What was the actual effect of this reduction?

The CRDS certifies that community rehabilitation programs that serve DOR consumers are safe, accessible, legally operated, and qualified to provide the required services. The reduction will lead to less statewide oversight of these programs.

Department Director Approval: Catherine Campisi Date: 3/17/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

Control Section 4.10
Reductions By Program

**Org. Code:** 5160

**Department:** Rehabilitation

**Program:** Administration

# How was reduction implemented?

Under the department's plan, 10 vacant positions were eliminated in the Administration program. More specifically, the DOR eliminated a variety of positions in the Executive Office, and the Accounting, Budgets, Personnel, Information Systems Services, and Planning and Staff Development branches and sections. The 10 positions eliminated in Administration reflect 12% of the total positions eliminated under Section 4.10, which approximately reflects the department-wide percentage of headquarters positions (13%) to field positions (87%).

# What was the actual effect of this reduction?

The effect of reducing these 10 positions is that delays and backlogs in the provision of various administrative services and the loss of clerical support will continue for the foreseeable future. Because these positions were vacant, staff in the affected units had absorbed additional workload such as processing invoice payments, conducting personnel transactions, performing database administration, supporting audit and investigation staff, and providing clerical support. In some cases, timeliness and work quality are being affected.

Department Director Approval: Catherine Campisi Date: 3/17/04

Agency Secretary Approval: _____ Date: _____

BL 04-03
Attachment I

# Control Section 4.10
# Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

## How was reduction implemented?

**Legal Office – State Administrative Hearings eliminated 2.1 positions and $137,000 (47,000 GF).**

- **Legal Office eliminated 1.1 Staff Counsel and 1.0 Office Technician**

## What was the actual effect of this reduction?

Elimination of these positions has resulted in delays in reducing the backlog of State Hearings. At one time there were in excess of 1,000 cases backlogged. The State Hearing Office has employed some new strategies for reducing the backlog. These strategies have been somewhat successful in reducing the backlog by approximately 30 cases per month. There are still approximately 900 cases backlogged.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

BL 04-03
Attachment I

# Control Section 4.10
# Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

## How was reduction implemented?

**Regional Administrators Office eliminated 2.0 positions and $146,000 (50,000 GF).**

- **1.0 Regional Administrator and 1.0 Secretary**

## What was the actual effect of this reduction?

The Regional Administrator (RA) responsibilities for the LCSAs in the region were distributed among the remaining Regional Administrators. This has resulted in an overall reduction in services to the LCSAs statewide by primarily concentrating on LCSAs that require corrective measures, are under performing or have other serious programmatic issues that need immediate response. LCSA directors continue to utilize RAs as the primary point of contact for significant local issues, however the ability to communicate in a timely manner and to provide guidance and technical assistance has been reduced. This position reduction has also negatively impacted the oversight capability to ensure policies and procedures are being implemented in a consistent manner statewide. Currently, there are five LCSAs with active Performance Improvement Plans (PIP). The reduction of this position has impacted the ability to oversee and assist in implementation of the recommendations in each of the LCSAs PIP.

The elimination of the Secretary for the Regional Administrators has left the RAs with minimal clerical support, office technicians in two other areas of DCSS now complete attendance reports, take messages, schedule meeting rooms, process travel claims and other support functions. In addition, RAs must do all other administrative work (i.e. letters, reports, and written material preparation), which impacts the time available to perform assigned duties.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

BL 04-03
Attachment I

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

# How was reduction implemented?

**Administrative Services/Accounting & Fiscal Services eliminated 1.0 Accounting Officer position and $59,000 (20,000 GF).**

# What was the actual effect of this reduction?

The loss of this position impacts the department's ability to timely and accurately perform State and Federally mandated Accounting activities.

The primary duties of this position was to maintain departmental accounts receivables. This function includes the accounting and collection of employee, local child support agencies (LCSAs) and other State agency receivables. These duties have been distributed among other staff in the accounting section. To the extent possible, work is being prioritized to prevent delays in federal reporting and late payments. However, this is causing an increased backlog in processing receivables, less timely processing of payments and lack of follow-up on delinquent accounts. Increased workload on other staff is also causing less time to be available to review work, causing errors, inaccurate accounting and rework to correct errors once detected.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

**BL 04-03**
**Attachment I**

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**
**Department: Child Support Services**

# How was reduction implemented?

**Customer & Community Services eliminated 7.5 positions and $474,000 (161,000 GF).**

- **Customer & Community Services eliminated 7.0 Analyst and 0.5 Service Assistant.**

# What was the actual effect of this reduction?

**Program Impact – Customer & Community Services/Public Inquiry & Response (4.0 Analyst) :** The DCSS Public Inquiry & Response Unit handles telephone and written inquiries and/or complaints from the public regarding child support services statewide. These contacts are received directly from customers and through referral from public officials and governmental oversight entities. The reduction has significantly impacted the ability to timely respond to these public contacts.

To manage these reductions DCSS has changed its approach to customer inquiries. DCSS has revised its procedures to streamline the way in which direct correspondence to and from customers is handled. DCSS must now rely on LCSAs to directly respond to these requests. DCSS uses form letters to customers to notify of our contacts and forward the correspondence to LCSA's. The Department has revised its toll free number to include recorded messages on topics of most frequent concern, to refer the customers to LCSAs for specific case information, and to the Department's website for general child support information. Although the Department has taken these additional steps to provide additional avenues to customers to access information, DCSS has seen an increase in the number of complaints received from elected officials since the inception of this approach.

DCSS continues to respond only to referral of inquiries and complaints from elected officials and governmental oversight agencies. In general, these contacts reflect failed resolution of issues at the local level. Even so, the loss of four (4) analyst positions on the Public Inquiry and Response Team has caused a 30-60 day delay in investigating and responding to oral and written complaints from the public received via the Governor's Office, Legislators, and the Department's federal oversight body – the Office of Child Support Enforcement. DCSS has a backlog of approximately 150 written inquiries and complaints each week. The DCSS can now only provide recorded informational messages for the most frequently asked questions, which has only reduced the weekly incoming telephone calls to approximately 175 telephone inquiries

each week. These calls are related to the application for child support services, locating parents who do not pay child support, obtaining child support and medical support orders, enforcing orders, distributing support, passport denial and tax interceptions. The Public Inquiry and Response Team can no longer generate and analyze county-specific and statewide complaint reports to identify operational improvements in service delivery based on calls and letters coming in through the Public Inquiry and Response Section.

The elimination of these positions has significantly restricted the Department's ability to ensure LCSAs are assisting and responding in a timely fashion customer's inquiries, resolving disputes and other issues related to their cases, and performing other child support service-related functions. The Department has not been able to analyze data, report findings, and require corrective actions regarding customer issues in trying to receive services from the LCSA .

**Program Impact – Customer & Community Services/Analysis Reporting (1.0 Analyst):** The Customer Service Analysis Reporting Section has not been able to conduct workshops for the LCSAs to ensure consistent and uniform application of practices and procedures relating to customer service, and resolution of customer complaints. The Section previously had responsibility for reviewing quarterly customer services plans, reports of the ombudsperson program, and complaint resolution. The review time period has been changed to annual reporting in part due to the loss of this position.

The loss of this position has resulted in the elimination of the requirement for LCSA to provide quarterly customer service plans and Ombudsperson Program reports. With annual reporting, DCSS is only able to provide a high level review of annual plans. The loss of this position has also resulted in the elimination of quarterly ombudsperson reports, and the inability to do a complete analysis of other statistical information to properly identify systemic issues stemming from this information that identify inconsistent application of program requirements statewide, and to identify if LCSA are not operating their child support program consistent with federal and state mandates.

**Program Impact – Customer & Community Services/Forms Offers in Compromise (1.0 Analyst):** The loss of this position, geared toward having responsibility for forms development, modification and dissemination for all forms related to the Offers in Compromise program, has contributed to delays of implementing the Compromise of Arrears program. This position was also responsible for development of an offers in compromise outreach plan that would have accomplished the following goals:

1) Ensure that parents uniformly learn about the offers in compromise program;
2) Develop an approach to work with the courts to identify obligors who may be eligible for the offers in compromise program, and ensure appropriate information is given to these obligors;
3) Develop an approach to work with family law facilitators to identify obligors who may be eligible for the offers in compromise program, to ensure appropriate information is given to these obligors, and to assist in the complete and accurate completion of the application and all other appropriate paperwork to assure the obligor's circumstances qualify for the program, and to assure that the information is correctly spelled out so the local child support agency can process the application more quickly;
4) Develop an approach to work with community business organizations to identify obligors who may be eligible for the offers in compromise program, to ensure appropriate information is given to these obligors, and to assist in the complete and accurate

completion of the application and all other appropriate paperwork to assure the obligor's circumstances qualify for the program, and to minimize the resources and time required by the local child support agency to assist in the completion and verification of the form; and

5) Develop an approach to work with other relevant stakeholders.

The position would have also been responsible for the development of educational materials to ensure that customers and stakeholders were aware of the availability of the program, and to ensure that these individuals and groups were appropriately and consistently informed of the eligibility requirements in order to minimize LCSA resources devoted to review and denial of applications that are clearly ineligible.

Loss of this position has resulted in a delay in developing the appropriate forms for use in the offers in compromise program, which in part contributed to delayed implementation. The work of developing the forms had to be shared by other forms analysts who were also assigned responsibility for development of forms related to the CCSAS project, and to the creation of new and revised program forms.

Loss of this position also resulted in less consistent messages being communicated to LCSAs, customers and other stakeholders about the availability of this program and the eligibility requirements. There has also been an increase in the workload for the LCSA as key stakeholders are not participating in helping customers identify if they are eligible, nor are stakeholders completing the application or preparing all necessary documentation to assist the LCSA in determining the appropriate offer in compromise.

**Program Impact – Customer & Community Services (1.0 Analyst):** The loss of this position has resulted in the inability to have overall analytical and coordination support to each of the Sections in the Customer and Community Services Branch. This position was primarily responsible for responding to the most sensitive oral and written complaints received from customers about actions taken on their child support cases.

The loss of this position has impacted the ability to provide analytical support to the Forms and Outreach Section. This Section no longer receives analysis of the statewide forms currently in use, LCSA forms currently in use, nor analysis of the overlap and gap between those categories.

The loss of having a position dedicated to coordinating Branch reports and analysis of the efficacy of these reports for capturing the information required to monitor implementation at the local level of state and federal laws, regulations, policies, and other directives relating to customer and community services and outreach has reduced efficiency in oversight and coordination activities. The Department has not been able to analyze data, report findings, and require corrective actions regarding customer issues in trying to access child support services from the LCSA on a proactive basis. The Department must wait to review data from the complaint resolution process and the annual filing of reports in order to determine program deficiencies.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

# How was reduction implemented?

**Policy Branch eliminated 4.0 positions and $263,000 (89,000 GF).**

- **Financial Management & Training eliminated 1.0 Staff Services Manager II and 1.0 Analyst.**
- **Case Management eliminated 1.0 Analyst**
- **California Central Registry eliminated 1.0 Program Technician II**

# What was the actual effect of this reduction?

**Program Impact – Policy Branch/SSM II for Financial Management & Training Section:**
The Financial Management & Training Section consists of the following units: Financial Management Policy Unit, Training and Procedures Unit and CCSAS Training Unit.

**Financial Management Policy Unit:** The vacancy and loss of the SSM II position has impacted the Financial Management Policy Unit's in the following areas: delayed distribution of Title IV-D State Plan amendments required by federal program mandates (Title 42 USC, Section 654); increased response times to local child support agency (LCSA) requests for policy interpretations; delayed promulgation of directives concerning the collection, distribution and disbursements of child support collections; and delayed processing of regulations.

These impacts mean that DCSS cannot provide statewide leadership and direction for the child support program as well as it did in the past. For example, maintaining an up to date Title IV-D State Plan is required. The loss of staff has made it difficult to focus on this responsibility. Additionally, the timely response to the LCSAs request for policy interpretation and direction is important to ensure program policy directives are passed on and implemented timely and in accordance with program requirements. The Unit responds to these inquiries, and the response is distributed statewide to all of the local child support agencies. The expectation is to timely respond to all inquiries within 30 days. Currently, the average response time based on the volume in this unit is nearly 60 days. And, the adoption of reduced staffing which again impacts the ability to ensure statewide program uniformity and consistency.

**Training and Procedures Unit:** The vacancy and loss of the SSM II disrupted the continuity of this Section and has delayed development of standardized statewide training curriculum. The development of a state-directed, uniform, carefully planned and executed training program is needed to ensure a uniform administration statewide of a child support program. Additionally, the development of standardized curriculum is needed to ensure that some 10,000 local child support agency personnel have the core competencies and knowledge necessary to carry out the program requirements as required by federal and State mandates (Title 42 USC 654; Title 45 CFR Sections 302 and 303; and California Family Code 17306).

**CCSAS Training Unit:** The vacancy and loss of the SSM II delayed the hiring of the staff for this new unit, which in turn delayed the ability of DCSS to guide and participate in the early California Child Support Automation System (CCSAS) training activities.

The Department has redirected management staff to provide direction and oversight to this important function. Although there was an initial delay, DCSS believes that it can recover and provide necessary direction to the CCSAS project.

**Program Impact- Policy Branch/Financial Management & Training (1.0 Analyst):** The elimination of the Associate Governmental Program Analyst in the Training and Procedures Unit has had a major impact on the ability to develop and maintain a consistent and uniform statewide training curriculum.

The elimination of this position has had a negative impact on the ability to ensure that local county child support staff receive adequate consistent statewide training. Statewide training is necessary to ensure that customers receive high quality child support services. The high quality, competent, job-based, professional, standardized training program helps to ensure that child support staff are adequately trained for their jobs and were clear about processes, procedures, and expectations for behavior and attitudes. This loss of training and the inability to develop additional curricula timely impacts the uniformity of services and the professionalism with which child support services are delivered to the public across the State.

**Program Impact – Policy Branch/Case Management (1.0 Analyst):** The loss of this position required the subject matter areas of responsibility and associated workload to be absorbed into the existing workload of the remaining staff. This position has the Unit in several different areas of program development. Foremost, there has been a delay in the development of regulations for establishing child support orders, medical support and paternity. These areas represent both the core functions of the program, and the most difficult and challenging in developing uniform policies, procedures and forms to be implemented on a statewide basis due to the wide variety of accepted local practices. Based on existing volume there is an ongoing backlog of 80 policy inquiries with a time lapse of nearly 90 days for a response issuance.

**Program Impact – Policy Branch/California Central Registry (1.0 Program Technician II):** The Program Technician II (PTII) assists the California Central Registry (CCR) analysts with establishment of interstate cases by reviewing and processing them for legal sufficiency. In order to comply with federal law, CCR has 10 days to process an incoming out of state case, and 5 days for status requests or inquiries. Prior to the loss of the PTII position, the CCR had an error rate of one percent. The most recent compliance review has increased the CCR error rate to approximately ten percent. This means that for this ten percent of cases the time needed to process, review, and forward to the local child support agencies exceeds the required ten

days, resulting in delaying the opening of cases and the establishment and/or enforcement of child and medical support obligations. The Department has been re-evaluating the workload and is in the process of cross-training the existing PT I's and PT II's to work in different areas to help redistribute workload and bring the error rate down.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

# How was reduction implemented?

**Departmental Operating Expenses eliminated $2,805,000 (954,000 GF).**

| | Reduction Amount: |
|---|---|
| GENERAL EXPENSE | $ 250,000 / $ 85,000 GF |
| PRINTING | $ 150,000 / $ 51,000 GF |
| COMMUNICATIONS | $ 150,000 / $ 51,000 GF |
| POSTAGE | $ 170,000 / $ 57,800 GF |
| TRAVEL-IN-STATE | $ 150,000 / $ 51,000 GF |
| TRAVEL-OUT-OF-STATE | $ 15,000 / $ 5,100 GF |
| TRAINING | $ 100,000 / $ 34,000 GF |
| CONSULTANT & PROFESSIONAL SERVICES | |
| INTERDEPARTMENTAL | $ 20,000 / $ 6,800 GF |
| EXTERNAL | $1,550,000 / $ 527,000 GF |
| DATA PROCESSING | $ 200,000 / $ 68,000 GF |
| OTHER ITEMS OF EXPENSE | $ 50,000 / $ 17,000 GF |

# What was the actual effect of this reduction?

**GENERAL EXPENSE** **Reduction Amount: $ 250,000 / $ 85,000 GF**

**Program Impact:** DCSS has supplies, such as binders, paper, pencils, calculators, telephones and furniture items under $5,000. The DCSS assigned one unit to control and prioritize purchases in order to stay within the budgeted amounts.

**PRINTING** **Reduction Amount: $ 150,000 / $ 51,000 GF**

**Program Impact:** The reduction in printing has required DCSS to limit distribution of customer materials such as the Child Support Handbook, brochures and pamphlets. DCSS limits supplies in all of these areas and manages customer access to this information on the DCSS website and local child support agency distribution at the local level.

**COMMUNICATIONS** **Reduction Amount: $ 150,000 / $ 51,000 GF**

**Program Impact:** DCSS has reduced expenditures for communications including long distance calls to counties and federal agencies, centralized pagers and cell phones, and reduced courier services such as federal express. Managers are required to control and review expenditures in these areas to ensure cost control.

**POSTAGE** **Reduction Amount: $ 170,000 / $ 57,800 GF**

**Program Impact:** The reduction in postage has resulted in limited distribution of customer outreach materials on a broad scale. Department managers are required to prioritize and decide which requests for materials are provided by DCSS. LCSAs and customers are referred to the DCSS website whenever possible.

**TRAVEL-IN-STATE** **Reduction Amount: $ 150,000 / $ 51,000 GF**

**Program Impacts:** DCSS has eliminated all non-essential travel; however, this has limited our ability to provide guidance and oversight to LCSA's. For example a reduction in travel funds has impacted the Customer Service Branch (CSB) ability to respond to emerging policy and program development tasks and program oversight in the newly created Local Child Support Agencies. The reduction in the travel budget has severely curtailed the Regional Administrators' ability to conduct regular and comprehensive site visits of local child support agencies in order to oversee county programs, promote uniformity of local operations and ensure compliance with all state and federal laws and regulations. The reduction has impacted the ability of DCSS staff to travel and consult with the entire child support community which includes federal staff, Local Child Support Agencies, other program stakeholders, and advocate groups.

**TRAVEL-OUT-OF-STATE** **Reduction Amount: $ 15,000 / $ 5,100 GF**

**Program Impact:** DCSS has eliminated out-of-state travel except in critical areas such as federal oversight agency meetings related to program and automation issues.

**TRAINING** **Reduction Amount: $ 100,000 / $ 34,000 GF**

**Program Impact:** The reduction in staff Training will mean that staff may not have essential skills to perform at expected proficiency levels. DCSS will rely more heavily on the job training and web-based self-directed training as lower cost alternatives.

**CONSULTANT & PROFESSIONAL SERVICES**

**INTERDEPARTMENTAL** **Reduction Amount: $ 20,000 / $ 6,800 GF**

**Program Impact:** This reduction reflects the elimination of contract dollars budgeted for DOIT to review PRISM related activities. The abolishment of DOIT permits this reduction.

**EXTERNAL** **Reduction Amount: $ 1,550,000 / $ 527,000 GF**

**Medical Support Enforcement $1,000,000 / $ 340,000 GF**

**Program Impact:** These contract funds were for automation enhancements for the Medical Support Enforcement Program. Reassessment of the cost-effectiveness of this program enabled elimination of the entire amount.

**Financial Review of Six Counties $185,000 / $ 63,000 GF**

**Program Impact:** This contract was to annually review the financial management of largest LCSAs in compliance with federal mandates (45 CFR 74 & 302, OMB A-133, OMB Circular A-87). DCSS has redirected the activities of the DOF excess incentive funds audit to review financial management practices of LCSA's. This will result in approximately 6-10 less counties being reviewed annually.

**Various other Contracts $365,000 / $ 124,000 GF**

**Program Impact:** A 10% to 15% across the board reduction was made to several contracts that perform programmer and consultant services for the department. Department managers are reassessing consultant needs and prioritizing to achieve this reduction amount. The reduction was applied to contractors that: 1) perform programming for the complex interface activities of the Child Support Intercept Application Section to ensure that the interface with the federal government meets their requirements, 2) perform programming duties that adhere to established maintenance and operations standards and procedures, and to provide technical leadership and assistance to other less seasoned programming staff, 3) develop and maintains the DCSS Intranet and supports the PRISM Advisory Group (PAG) and Requirements Analysis Workgroup (RAW); and 4) support the intranet which allows the department to act quickly to their customers when trying to respond to information. Internal staff would have to take more time to research the information needed.

**DATA PROCESSING** **Reduction Amount: $ 200,000 / $ 68,000 GF**

**Program Impact:** This reduction requires changing from the replacement schedule of the 3-year industry-wide standard of replacing PCs and related equipment/software to a 4 year cycle. This will introduce communication difficulties with FTB as their software and equipment replacement cycle differs.

**OTHER ITEMS OF EXPENSE** **Reduction Amount: $ 50,000 / $ 17,000 GF**

**Program Impact:** This reduction will reduce vehicle operations and other miscellaneous items that help keep the department operating efficiently.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

BL 04-03
**Attachment I**

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

# How was reduction implemented?

**Departmental Temporary Help and Overtime eliminated $288,000 (98,000 GF).**

# What was the actual effect of this reduction?

**Overtime:** DCSS has always carefully controlled the use of overtime; however there are times when overtime is necessary or unavoidable to meet critical workload needs. As staff resources are reduced, the pressure for overtime usage has increased. Reduced overtime funding limits the ability to meet key workload needs as they arise. Overtime hours are being closely monitored and work hours of the staff have been adjusted to address critical workloads.

**Temporary Help:** The Department has not been able to hire student assistants or retired annuitants who were hired in the past for critical or peak workloads.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

BL 04-03
**Attachment I**

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**
**Department: Child Support Services**

# How was reduction implemented?

**Technology Services eliminated 4.0 positions and $265,000 (90,000 GF).**

- **Child Support Intercepts eliminated 1.0 Analyst;**
- **Automation Approvals & Dept'l Automation eliminated 2.0 Staff Information Systems Analyst and 1.0 Office Technician.**

# What was the actual effect of this reduction?

**Impact of the loss of Child Support Intercept AGPA:** This position reduction has resulted in the loss of the liaison for critical interfaces between DCSS and other state agencies that assist in collecting additional Child Support enforcement dollars. Many of the Department's interagency agreements (IAs) have either expired or will shortly. The staff analyst required to renegotiate and prepare new agreements no longer exists. Existing staff are assigned to pickup this workload but there is no longer a dedicated person to keep on top of this work.

In addition, DCSS is no longer able to timely oversee newer collection enhancement efforts such as the California Insurance Intercept Program (CIIP). The staff person was responsible for guiding and motivating the LCSAs to work aggressively with the CIIP and other programs.

**Impact of the loss of two SISA on TSD Infrastructure Section:** At the time the two SISA positions were eliminated DCSS had only one site with approximately 200 desktop computers that it needed to maintain. Currently there are three sites with over 350 desktop computers that must have connectivity to each other virtually 24 hours per day/7 days a week. The department is now experiencing routine periods of system down time which is occurring approximately 2 days each week for several hours at a time.

**Impact of the loss of Office Technician:** TSD has a total of 109 positions that represent a combination of both State and Contractor staff. Further the division currently has just one Office Technician to provide support to all of these staff which include the business support of five Branch Chiefs. The Deputy Director's Executive Assistant assists with phone coverage and back up services on a daily basis. Therefore, many normal day to day functions that make the Division run more smoothly have ceased such as keeping the division library up to date and sending out timely directives to the county LCSAs on operating procedures.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

BL 04-03
**Attachment I**

## Control Section 4.10
## Reductions By Program

**Org. Code: 5175**

**Department: Child Support Services**

# How was reduction implemented?

**California Parent Locator (CPLS) eliminated 7.0 positions and $291,000 (99,000 GF).**

- **CPLS eliminated 6.0 Program Technicians and 1.0 Analyst**

# What was the actual effect of this reduction?

The loss of these positions has created a backlog in processing late requests from local child support agencies and other jurisdictions. It takes considerably longer to provide timely locate responses to counties, other states and other countries. To date, existing CPLS staff have managed to work the oldest cases and those that are the most critical first, leaving the remainder until such time as they are deemed old or critical. Workload is being prioritized based on impact on case movement and collections.

**Department Director Approval:** _____ **Date:** 3/17/04

**Agency Secretary Approval:** _____ **Date:** _____

5180 - Dept. of Social Services

# WELFARE TO WORK DIVISION

## How was reduction implemented?

Eliminate 22.0 positions, which represents a 12.1 percent reduction and reduces the budget by $1,236,344 ($231,980 General Fund) in the Welfare to Work Division.

## What was the actual effect of this reduction?

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| In the Refugee Services Program, the Department's ability to outreach to at-risk refugee groups in the areas of health, mental health, crime prevention and domestic violence, etc. has been reduced. The timely sharing of important refugee-related information has also been reduced.<br><br>There has been a reduction in the Department's ability to provide technical assistance, employment strategies and program performance evaluation for refugee services. Outreach activities in assisting refugees accessing mainstream services, and in assisting mainstream service providers to include refugee needs when developing their services, have been eliminated.<br><br>The reductions have eliminated the Department's ability to coordinate the Refugee Summit. CDSS will be able to collect and provide only the data required by federal law. |
| For the Food Stamp program, there is a reduced ability to communicate correct policy to counties and Administrative Law Judges and a delay in conducting mandatory Quality Control and Federal management evaluation reviews. |
| The reduction will result in delays for CalWORKs in completing employment services-related assignments and policy changes; e.g., Limited English Proficiency issues, litigation and demand letters, 20% Hardship policy, Sanction policy changes, etc.; and impact the Department's ability to quickly move on the anticipated changes that are likely to result from Temporary Assistance for Needy Families (TANF) reauthorization. |
| For CalWORKs, this reduction will result in delays in completing eligibility-related assignments and policy changes; e.g., Tribal TANF Memorandums of Understanding, Quarterly Reporting/Prospective Budgeting, CalWORKs Time Limits and Non-Citizens policy, litigation and demand letters, Electronic Benefit Transfer, etc.; and also impact the Department's ability to quickly move on the anticipated changes that are likely to result from TANF reauthorization. |
| For the CalWORKs child care program, the Department's ability to respond to county policy interpretations and to provide alternative fund allocations in a timely manner has been reduced. The Department has a reduced ability to provide adequate program |

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| oversight and the Department's ability to provide accurate, adequate information for control agencies, legislative staff, and stakeholder groups is jeopardized.<br>The reductions affect the Department's ability to provide interpretations for laws, rules and regulations for counties. |
| No counties have expressed an interest in pursuing the CalWORKs mental health/Medi-Cal match pilot program; therefore, the Department has terminated planning for and implementation of this program as authorized by Assembly Bill 444. CDSS is pursuing a change in statute to discontinue this requirement since it no longer has the resources to implement the program.<br><br>The reductions eliminate our ability to supervise or accept new demonstration projects. |
| Clerical support and supervision of the CalWORKs Cal-Learn program, Family Planning Project and CalWORKs demonstration projects have been reduced. |
| There will be some reduction in activities and some reorganization of assignments.<br><br>Fraud investigation functions have been consolidated and non-mandated activities have been reduced.<br><br>The Fraud Bureau lost one AGPA position that would have developed policy and procedures for the new Electronic Benefit Transfer (EBT) fraud measures for the counties to follow.<br><br>The Emergency Food Assistance Program (EFAP) lost one of the AGPA positions that was responsible for conducting federally mandated compliance reviews. In addition, this position acted as the Statewide Disaster Response Coordinator for EFAP. EFAP's ability to respond to disasters in the state is now diminished. |

# Children and Family Services

## How was reduction implemented?

Eliminate 42.0 positions, which represents a 11.6 percent reduction and reduces the budget by $1,875,612 ($1,125,367 General Fund) in the Children's and Family Services Division.

## What was the actual effect of this reduction?

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| The Audits Branch Secretary position provided support to the Branch Chief and the Branch staff within the Foster Care Audits and Rates Branch. Since staff were significantly reduced in the Branch, the position was eliminated, as this position was not necessary. |
| Eliminated positions within this Bureau were responsible for conducting program rate audits of on-going group home providers, and for providing administrative hearings for appeals of such audits for a three-year period. In addition, all provider-training activities will be eliminated. Provisional rate audits of new programs and RCL increases will continue, as will appeal hearing activities associated with such audits. In addition, some training activities for the auditors performing such audits and overpayment collection activities associated with failed audits will continue. However, overpayments will only be collected for those failed audits already conducted prior to the elimination of the program rate auditing function. CDSS has proposed changes to existing law to allow for implementation of this reduction. The elimination of these positions resulted in the CDSS' reduced ability to provide oversight and monitoring activities of existing group home programs and comply with State statute and regulations. |
| Eliminated staff associated with those activities pertaining to on-going group home and foster family agency ratesetting. Group home and foster family agency providers currently receiving a rate will continue to receive the rate in effect on June 30, 2003 without being subject to any additional ratesetting activities, including on-going rate reviews for a three-year period. However, all ratesetting activities associated with applications for new programs by new or existing providers, program changes, or rate reductions will continue to occur. Because rates for on-going programs will not be subject to on-going application review, there has been a decreased opportunity for CDSS to detect immediate problems with on-going providers who fail to maintain their paid rate level or non-profit status, which is required for federal financial participation. |

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| Reduced the auditing staff associated with conducting fiscal audits of group homes and Foster Family Agencies, but retains a scaled down fiscal audit function. Also eliminated staff associated with the review of cost reimbursements for financial audit reports submitted by Certified Public Accountants; however, the activity was not eliminated, as proposed. Maintains existing functions associated with financial audit reviews established by SB 933. Impairs the state's ability to ensure via audits that funds that are intended to be used by group homes and foster family agencies for the care and shelter of children are actually used as intended. Moreover, CDSS redirected staff resources to assist in processing cost reimbursement to providers who are eligible for the partial cost of their independent financial audits. |
| Eliminated staff level position responsible for providing policy and regulation development for the Adoption Assistance Payment (AAP) program to ensure the correct application of program rules. This program provides funds to adoptive parents to assist in meeting the needs of special needs children. The position recommended options for the settlement of state hearing and court cases related to the eligibility for and level of adoption assistance funds. Other staff and management personnel have had to assume these duties since the elimination of this position. This redirection of resources has resulted in a decreased response time in addressing both AAP program issues as well as general AFDC-FC funding program issues posed by counties, courts, judges, and others. |
| The loss of the Word Processing Technician in the Foster Care Support Services Bureau left the bureau without adequate clerical support; professional staff must utilize their limited time to perform these necessary functions that are outside their area of primary responsibility. |
| The loss of Staff Services Manager I in the Foster Care Support Services Bureau left the Recruitment Network Development Unit without supervision and direction in the development of placement resources for foster and adoptive children, including support to the Family to Family Initiative. |
| The loss of the AGPA in the Foster Care Support Services Bureau left the Foster and Emancipated Youth Services Unit without technical support in the implementation of the federal Chafee Act in assuring that foster and emancipated youth are adequately prepared to transition into adulthood. This position provided technical assistance and compliance to the monitoring of county Independent Living Services programs and private contractors.<br><br>The Child & Youth Permanency Branch was reduced by three positions. Examples of impact include: public testimony from a regulations package heard in October 2003 has not been responded to further delaying implementation of critical child support rules at the local level; on-site monitoring and technical assistance to county Independent Living Programs for emancipating foster youth have ceased; on site training for county staff implementing the relative approval requirements has ended. |

The Children's Services Operations Bureau eliminated a Staff Services Manager I resulting in a 50% reduction of Staff Service Manager I. This Bureau is responsible for oversight of county child welfare services (CWS) operations. This elimination limits the Departments ability to conduct its oversight responsibilities associated child welfare programs that effect child safety and service delivery.

The reduction included one full time equivalent technical support position in the CMS Support Branch, which maintained the Division's information technology. This results in slower response time to repair or replace computer equipment. Due to positions eliminated and vacancies that were swept the impact of the four position loss in addition to the computer support position is:

- Reduced quality control of critical budget and information technology analysis and approval documents.
- Reduction of technical assistance to and monitoring of county users of CWS/CMS to insure data quality and completeness.
- Delay and/or failure to procure support contracts such as user training, Independent verification and validation, and technical consultation for CWS/CMS.

Position eliminated in Child Welfare Services (CWS) Policy area has resulted in limiting the Department's ability to provide guidance and technical assistance to counties as evidenced by:

- In many cases management has performed the staff work associated with critical policy needs, thereby reducing the ability to plan and be proactive in the policy arena.
- Reduced ability to develop and implement needed regulations resulting in potential for State/federal program sanctions.
- Reduced ability to implement regulations to conform to changes in federal and State law.
- Significantly reduced ability to participate in federal rulemaking process thus impacting
- Reduced ability to provide policy interpretations to county CWS programs to ensure compliance with current regulations and statutes.

Impact to the Division:

- Reduced ability to analyze legislation.
- Reduced ability to respond to controlled correspondence.
- Reduced ability to provide customer (and constituent) service.

In addition to the permanent reductions above the Child Protection & Family Support Branch lost 4.0 FTEs in the June 2003 vacant position sweep*. The impact is as follows:

- No on-site monitoring and limited technical assistance for Title IV-E Child Welfare Waiver Demonstration Project Counties; SB 163 counties and Youth Pilot Project Counties;

- Loss of ICWA Specialist has resulted in diminished ability to provide culturally relevant technical and training to county child welfare programs;
- Reduced ability effectively monitor contracts;
- Reduced ability to coordinate and complete the Title IV-B plan within the specified timeframes;
- Delays in responding to requests for waivers, exemptions, etc. from county CWS programs that seek consideration of existing county conditions, staffing and resource issues that impede their ability to meet current regulatory requirements.

# Disability and Adult Programs Division
# State Programs

Disability and Adult Programs Division – State Programs

## How was reduction implemented?

Eliminate 22.0 positions, which represents a 11.9 percent reduction and reduces the budget by $1,041,134 ($520,567 General Fund) from the Disability and Adult Programs Division – State Program.

## What was the actual effect of this reduction?

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| Out of the annual application pool of approximately 60,000 low-income, disabled applicants for this category of Medi-Cal benefits, 10,000 applications are currently delayed in being assigned for staff to work on. Applications are delayed from October 2003. |

# Disability and Adult Programs Division
# Adult Programs

Disability and Adult Programs Division – Adult Programs

## How was reduction implemented?

Eliminate 4.0 positions, which represents a 9.0 percent reduction and reduces the budget by $281,563 ($237,273 General Fund) from the Disability and Adult Programs Division – Adult Programs.

## What was the actual effect of this reduction?

This Branch is responsible for the following programs: In Home Supportive Services (IHSS), State Supplementary Income/ State Supplemental Program (SSI/SSP), Adult Protective Services (APS), Cash Assistance Program for Immigrants (CAPI) and California Veterans Cash Benefit Program (CVCB). This reduction will affect the Branch's overall ability to set State policy and program standards, develop regulations, conduct timely legislative analyses and respond to complaints and problems raised in controlled and other correspondence from individual citizens. Additionally, the Department's ability to respond to issues and questions raised by the program operations staff of the 58 counties will be impacted. With regard to IHSS the Branch is tasked with handling rate change and invoicing workload related to 54 county Public Authorities (PA). Delays in processing PA provider rate changes and invoices will occur.

# Disability and Adult Programs Division
# Federal Program

## How was reduction implemented?

Eliminate 4.0 positions, which represents a 0.3 percent reduction and no funding impact from the Disability and Adult Programs Division – Federal Program.

## What was the actual effect of this reduction?

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| No Program Impact, as the workload has been absorbed by remaining staff. |

# COMMUNITY CARE LICENSING DIVISION

## How was reduction implemented?

Eliminate 90.0 positions, which represents a 8.2 percent reduction and reduces the budget by $3,430,223 ($541,382 General Fund) in the Community Care Licensing Division.

## What was the actual effect of this reduction?

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| **Technical Assistance Bureau**<br>Legislatively established through AB 396, Chapter 709, to provide technical assistance to residential and adult day care facility providers. The program emphasizes prevention through education and by assisting care providers to develop procedures that will help prevent compliance problems. These positions do not directly monitor care facilities. Eliminating the mandate for the technical assistance program requires a statute change, which has been proposed. |
| **Regional Technology Specialists**<br>These positions do not directly monitor care facilities and are not statutorily mandated. There are currently 12 positions statewide that provide technical assistance and support concerning computer automation to local offices. No impact as of this date, but reducing support to 8 positions statewide is anticipated to impact travel costs and cause time delays in support of critical equipment. |
| **Trustline Section**<br><br>These positions do not directly monitor care facilities. The Section enters Trustline applications on a database and forwards database to R&Rs (California Child Care Resource and Referral Network). A technology solution is being developed to replace the manual entry of data. Until the solution is completed, the Department has redirected staff to perform this function. Trustline care providers will continue background check process through the Caregiver Background Check Bureau. |

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| **Child Care Program Office**<br>Legislatively established to provide a link between child care licensing, child care providers, and consumers of child care services. The program assists facilities to remain in compliance and avoid legal actions. The Department has redirected 2 staff to maintain a scaled down program. Eliminating the mandate for the full child care advocate program requires statutory change. These positions do not directly monitor care facilities. |
| **Northern California Children's Residential Licensing Office**<br>Reduction of the out-of-state Group Home Certification function due to a decrease in the number of out-of-state facilities requiring certification. This will result in State savings for staff traveling out-of-state to inspect a minimal number of Group Homes (11) caring for California children placed by county social services or the probation department. |
| **Vacant Position Reduction Drill June 30, 2003***<br>The vacancy sweep eliminates positions that affect various administrative, policy and support activities for the field. |

# ADMINISTRATION PROGRAM

## How was reduction implemented?

Eliminate 146.5 positions, which represents a 12.8 percent reduction and reduces the budget by $7,915,954 ($3,223,275 General Fund).

## What was the actual effect of this reduction?

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| The Community Work Experience (CWEX) Program was eliminated due to staff reductions. This program provides in excess of 126,000 hours of clerical support without the monetary cost to the department. The summer youth program was also eliminated resulting in the additional loss of 3,600 free hours. Due to the loss of positions in the Office of Equal Employee Opportunity (EEO) the Department has reduced its ability to monitor and administer programs. |
| Office of Deaf Access (ODA) was required to eliminate staff, which was responsible for providing administration and oversight of the Deaf Access Program (DAP) statewide contracts. This loss has reduced the ability of the ODA remaining two staff to effectively monitor the DAP contracts, to continue work on its interdepartmental projects and to provide public service information to professionals and respond to requests from the public for information on deaf and hard of hearing issues. It also results in reduced monitoring of 8 headquarters and 20 district offices and to continue the interdepartmental projects currently in place to assist California's deaf population. This also eliminates CDSS support for the American Sign Language bilingual exam to State employees (this function would return to the Department of Rehabilitation). Eliminate advocacy and outreach activities that target deaf and hard of hearing individuals, educating public safety officers, and health professionals. |
| The Department no longer has an ASL interpreter position to provide American Sign Language (ASL) interpreting services to its deaf and hard of hearing employees. The ASL interpreter was also responsible for scheduling additional ASL interpreters for the Office of Deaf Access Program (DAP), which uses ASL interpreters extensively to administer the DAP and to meet with its contractors whose staff are primarily composed of deaf and hard of hearing individuals. This service is no longer being provided and must be contracted out when the services are needed. |
| With the loss of this position, there are no outreach activities to blind people in California, no collection of demographic information available to policy makers. CDSS is no longer able to provide consultative services to local blind organizations/agencies or public agencies such as county welfare departments, local Employment Development Department offices, etc. that have contact with blind individuals/families. CDSS would have no information and referral portion of the program that provides rehabilitative information.<br>CDSS' OSB no longer provides consultative services to county personnel, information and referral services to blind and visually impaired Californians, information and referral |

services to people who are blind or visually impaired who are moving to California, outreach activities to blind people in California and advocacy for blind and visually impaired issues.

Eliminated one Personnel Specialist in the Personnel Transactions Unit. This results in increased workload for the remaining Personnel Specialists. This is a critical workload that must be covered or employee's paychecks will be affected. Some of the lower priority work such as filing is delayed.

The Reduction Plan eliminated one Seasonal Clerk, which results in the loss of a trained person handling Personnel files and the front counter. Filing Personnel documents is a critical task for the operation of the Personnel Office. Delaying the task often means information needed to process personnel transactions is not readily available.

Five Training Officers cut in the reduction plan results in an end to all training performed by the Department's Training Bureau. No internal management consulting or facilitators are available. Mandated supervisory training is now out-sourced to the Department of Personnel Administration. The Training Bureau can now only administer training policy and perform a scaled back registration process.

In addition, the Training Center is being closed effective April 1, 2004, as we do not have enough staff to operate the Center. The impact on mandated programs will be minimal, however, there will be Programs needing training/meeting space, that will have to go elsewhere to secure training/meeting rooms.

The Reduction Plan eliminated one-half time computer support Associate Information Systems Analyst position. The remaining computer support person will be providing computer support for many more people including support to the rest of the Division. This means that support will be reduced and delayed.

Eliminated one Office Tech position in the Branch Management Office. The result is highly paid managers and administrators are performing their own support functions.

The loss of two help desk positions will result in not responding to application support questions. All application support questions will be directed to the Personal Computer Administrator (PCA) responsible for supporting the user. The Information Systems Division (ISD) will only be involved when the problem is determined to be a systemic problem rather than an application problem.

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| ISD's ability to manage the network and implement tools to increase efficiency of network management is reduced by one-third due to the loss of two positions. Implementation of the Health & Human Services Agency (HHSA) mandated activities to react to changes in the Homeland Security alert levels will not be completed. Over the last year, increased network security demands are also going unanswered because of this position reduction. Network software patches are not being applied. |
| Position eliminated that provides the Welfare to Work Division with assistance and/or development of Feasibility Study Reports (FSRs), Special Project Reports (SPRs) and Post Implementation Evaluation Reports (PIERs). Loss of this position will result in the discontinuation of these services. In addition the tracking of system expenditures, analysis of expenditure information to identify trends and problems and the communication of the expenditure information to the customer will be eliminated. The ability to participate in and coordinate multi-agency activities and develop coordinated responses with these agencies will be reduced. The development and maintenance of system documentation will be reduced. |
| The position eliminated provides support to applications that are utilized by the State Hearing, Legal and Administration Divisions. New development on any of these systems will be eliminated. Only maintenance and operation tasks will be completed in priority order. Mission critical systems will be the number one priority. Work on all remaining systems will follow as time permits. It is anticipated that the completion of customer requests will be much slower or not completed at all. |
| Loss of Programmer II position will severely impact ISD's ability to provide maintenance and enhancement support to the Research & Development Division's (RADD) various quality control systems. Ability to respond to new federal requirements in a timely manner will be impacted. Ability to respond to county/consortia problems and needs in a timely manner will also be impacted. |
| The eliminated Associate Information Systems Analyst (AISA) position provides technical support and training for the operation of Community Care Licensing Division (CCLD) automated systems. This position has frequent contact with district licensing staff and other state, public and community agencies and organizations to provide this service. The loss of this position will affect the response time for those requiring assistance. |
| Loss of this Assistant Information Systems Analyst (AISA) will cause reduced administrative oversight and support for the departmental Work Group Justification Form (WCJF) process. |
| Loss of this AISA position will cause reduced administrative oversight and support for the Agency Information Management Strategy (AIMS) and Operational Recovery Plan (ORP) processes. |
| Reduces ALJ support to for Conlon court cases, which require prompt reimbursement for certain Medi-Cal cases, by 20 percent or from 5 ALJs to 4. |
| Reduces clerical support for Child Support Administrative Law Judges.<br>Reduces ALJ support by 20 percent to handle social service caseload. Compromises ability to set up cases for hearings as well as type and release decisions within mandated timelines. Contributes to possible late case penalties. |
| The Associate Governmental Program Analyst (AGPA) identifies impacts to the |

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| scheduling process, develops a plan of action to resolve the problem, implements appropriately and is also responsible for researching, developing alternative hearing processes and locations statewide (i.e., prison hearings, home hearings, telephone hearings. Etc.) to allow efficient use of ALJ resources. This impacts case processing directly affecting public assistance to welfare recipients. |
| Reduces customer support availability to handle telephone inquiries and written correspondence from claimants, attorneys organizations representing recipients, the general public, elected officials or representatives regarding case sensitive or hearing related information. |
| This will reduce the ALJ-II staff in this Bureau by 50 percent and in the Division by 17 percent. This reduction will compromise the Division's ability to update and disseminate paraphrased regulations, provide training and guidance to ALJ staff, provide backup coverage on hearings overloads, and to perform decision quality assurance. |
| Reduce support staff support<br>- Work not performed by the support staff - shift to Managers and/or other staff.<br>Eliminate PYs from the Travel function -<br>- Minimal review of travel expense claims<br>- erroneous payments to travelers<br>- increase in claim cuts from SCO<br>- increase in collection effort for overpayments to travelers.<br>- Eliminate all travel advances<br>- Increase the turnaround time of Travel Expense Claim (TEC) processing (minimum of 14 days)<br>- Delay in reimbursing state employees for travel expenses.<br>- Delay in research / response time to travel inquiries. |
| County Expenditure Claim (CEC) Consolidation and Reduce Customer service Support:<br>- Reducing volume of collected data in claim to minimum Fed requirements for the CalWORKs and CWS programs.<br>- Limit any claim changes to start of state or federal fiscal year only,<br>- Eliminate Co. field support (e.g., routine monitoring - records and practices)<br>- Increase in response time to counties. |
| Eliminate one supervisory position and consolidate functions.<br>- Reduces oversight of all federal related reports and statements<br>- Reduce number of reconciliation |
| Eliminate/Reduce Branch Activities -<br>- EBT Forms Design<br>- Branch Web page maintenance<br>- Q&A Files for Travel Questions<br>- Job Shadowing/cross training<br>- Periodic Review/Update Division 25 Regulations<br>- Delay in updating desk procedures |
| Eliminate/Reduce Proactive Review and Special Fiscal Requests<br>- Participation in department workgroups - most critical only<br>- Reduce from quarterly to annual review of all encumbrances<br>- Delay in the No Budget Drill / Early Reversion Drill response time |

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| - Delay in the year end accrual process - delay in closing year-end financial statements<br>- Delay in recouping advances/overpayments<br>- Special requests from other bureaus/departments<br>- Increase response time for Public Records Act requests |
| Decrease Key Data Entry Staff -<br>- Increase turnaround time for keying batches<br>- Create backlog of non financial batch reconciliation |
| Eliminate a supervisor position in the County Financial Analysis Bureau and increase the span of control of the supervisors. |
| Reduce in-depth analysis of data used for allocation of program funding.<br>Workload absorbed by other Digital Print Operator (DPO) II. Will result in delayed reproduction services.<br>Deadlines for project and office space exhibit drawings will be delayed.<br>Slower processing time in the design and revisions to departmental forms.<br>Compliance issues associated with the safety program could be impacted. |
| Eliminate the Proposed County Administrative Budget (PCAB) process, eliminate planning allocations, reduce scope of review of Information Technology projects, reduce county training and support and reduce the number of allocations issued to counties. |
| Elimination of all translation services except for the two languages required by federal and state law. |
| Reduction in services include: approximately 18,800 telephone calls (Spanish and English) and 760 letters/e-mails will not be responded to timely, and a decrease of approximately 8,500 oral state hearings per year. |
| Due to the elimination of a position, the availability of materials and research services will be reduced to departmental staff in person or by telephone. Reduced maintenance and updates of materials currently in the library, addition of new materials and purging of outdated items. Library downsized and Legal Division/Departmental staff referred to offsite and/or electronic resources. |
| Position reductions have resulted in untimely processing of the Division's workload and increased backlog and delay in filing cases. This includes the serving of legal pleadings and orders, typing legal forms, briefs and correspondence. |
| Position elimination has reduced legal support for rehearings and further reduces legislative support. Without rehearings, claimants still have the right to file a petition for writ of mandamus in superior court. Neither federal law nor constitutional due process requires that rehearings be available. Federal regulations (45 CFR §205.10) require the State to offer either an administrative hearing at the local level with a right to appeal the state level or an administrative hearing at the state level. This reduction requires statutory change, which CDSS is requesting. |
| A position eliminated has reduced legal support for disability evaluations (includes bill analyses, writs, lawsuits, legal opinions). |

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| A position eliminated has resulted in a lack of review of county plans, lack of legal response on individual case questions, the ability to support program reform initiatives (such as QR and welfare reform), removes all settlement on individual writs with a cost of less than $10,000. Backlog of cases is also increasing. |
| A position eliminated has resulted in reduced legal support related to group home program audits. There is now one attorney providing all the legal support for rate setting, consultations on the statutorily required provisional audits, analysis and review of legislation related to the group home rate setting and monitoring, and the case preparation and presentation when a provisional audit is appealed. Traditionally program audits of group homes resulted in repayment of money inappropriately paid to group home providers of $50,000 to $600,000 per audit. Few program audits are being conducted at this time. Program audits also had a substantial deterrent effect in that providers were more careful to make sure that they provided the services for which they were being paid, knowing that they could be audited, have to repay the overpayment and receive a reduced rate in the future. |
| A position eliminated has resulted in the inability to review rehearing requests regarding Adoption Assistance Payments and Foster Care Benefits. It has also resulted in the inability to give legal advice and consultation regarding the group home rate setting structure and limits the ability to review and analyze related legislation. |
| A position eliminated has resulted in less responsive and less prompt services to the managers and supervisors within CDSS who are dealing with personnel issues. There is an increasing backlog of adverse actions pending. The hearings on adverse actions are being referred to DPA for legal representation, which results in increased costs of $128 per hour. |
| A position lost due to the June 30, 2003 sweep* results in increased workload for administrative support and handling of closed administrative and civil lawsuit cases. |
| Additional positions lost due to the June 30, 2003 sweep* has resulted in untimely processing of the Division's workload and increased backlog. This includes the serving of legal pleadings and orders, typing legal forms, briefs and correspondence. |
| CDSS transferred the responsibility for Food Stamp Quality Control reviews for Los Angeles County to the county. |

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| No data (aggregate and/or dis-aggregate) will be collected, compiled, or available on:<br>- private adoption activities or the characteristics of those served<br>- independent adoption (IA) activities or the characteristics of those served<br>- inter-country adoptions (ICA) or the characteristics of those served<br><br>There will be no publications providing clear and concise presentations on private as well as public adoption activities and characteristics, IAs, and ICAs.<br><br>If data is not available through an alternate source, there will be no data to:<br>- assess program policies, performance, or service<br>- respond to data requests and/or inquiries - public, Legislative, control agencies, or the federal government |
| It will take a longer time to complete statewide caseload reports used by Program, Estimates, and Budget staff. |
| Less information will be collected on the Food Stamp Program on the socio-economic characteristics of the recipient population in California. This includes information such as employment, time on aid, education, benefit amounts, ethnicity and language. |
| No analysis will be available on the numbers of families affected by CalWORKs and Food Stamps program and policy changes that relies on population data. The reductions will eliminate our capacity to analyze census, Current Population Survey and other population/economic data to assess program outcomes such as movement out of poverty, participation in the Food Stamp Program, and participation in the CalWORKs Program. There is a greatly reduced capacity to support the Department with advanced statistical analyses. |
| Response time will be doubled for responding to requests to the Division Information Desk, resulting in reduced quality of customer service and reduced ability to provide timely information to the Department's Public Information Office, Program, Budgets, Estimates, and the Legislature. |
| The reductions will significantly slow down the publication of analyses of program-related data. |
| The Department will have to discontinue a number of activities relating to information on CalWORKs and Food Stamps programs and families, including the RAND evaluation of CalWORKs, the ASPE-funded survey of CalWORKs families, the sharing of our data with researchers, and special requests for research. In addition we have lost statistical and analytical expertise for supporting the Department on research and evaluation activities, analysis and sampling. Many of these activities help the Department in pending lawsuits and help the Department meet federal requirements. |

Department Director Approval: Jameen Mitchell, for Date: 3/24/04

Agency Secretary Approval: _____ Date: _____