

Board of Supervisors Response

“The Behavioral Health Budget – A Perfect Storm” Grand Jury Report

<http://sonoma.courts.ca.gov/sites/all/assets/pdfs/general-info/grand-jury/2018-2019/GJBHDBudgetReport.pdf>

FINDINGS

F1 - The Department of Health Services Fiscal Department lacked formal, written policies and procedures congruent with industry-standard budget development.

F3 - BHD failed to establish and audit all CBO performance requirements.

F7 - Projected revenue from anticipated programs and contracts continually failed to materialize, but remained in the budget.

Response: Board of Supervisors Agrees with these Findings

RECOMMENDATIONS

R1. The CAO’s office create and maintain policy and procedure manuals for each DHS department, and desk manuals for all positions in Fiscal and Behavioral Health Divisions by Dec. 31, 2019 [F1]

Response: Recommendation has not been implemented but will be implemented in the near future.

The Department of Health Services (DHS) has recently developed DHS-specific budget policies and procedures that document its internal budgeting processes and is working to finalize and implement these documents by September 30, 2019. The CAO will continue to work closely with DHS during the budget development process to ensure the Department is following all CAO established budget-related policies and guidelines.

R10. We recommend the BOS review its budget oversight responsibilities by Dec. 31, 2019 [F3, F7]

Response: Recommendation has been implemented.

On November 13, 2018, the Board of Supervisors received a 5-year Budget Improvement Plan designed to move the County towards a budget that is fiscally sustainable, transparent, strategically aligned and performance based. The Plan advances the Board’s fiscal policy to achieve a structurally balanced budget by FY 2020-21 and provides strategies to strengthen department’s budget development practices and Board budget oversight.

Additionally, it is important to note, the County Administrator’s Office is continually working with departments to develop balanced budget strategies and has moved to developing a structurally balanced budget beginning in FY 2017-18. The new budgeting approach moves the County budget closer to fiscal sustainability through several key components including requiring

departments to align expenses to available revenues by adjusting their operational budgets to meet higher anticipated costs along with reduced discretionary General Fund support.