



**City and County of San Francisco
Juvenile Probation Department**

William P. Siffermann
Chief Probation Officer

375 Woodside Avenue
San Francisco, CA 94127
(415) 753-7800

MEMORANDUM

DATE: February 7, 2009

TO: Juvenile Probation Commission

THROUGH: William P. Siffermann, Chief Probation Officer

FROM: Sue Wong, Finance Director

RE: FY 2009-2010 Budget and Reduction Plan

FISCAL BACKGROUND

Local Context:

The Mayor's Budget Office projects a citywide deficit of \$575 million for the next fiscal year. This projection may increase as a result of the state fiscal crises. The Mayor's Budget Office has issued a 25% target reduction for all city departments. This target translates to a \$7.8 million reduction for JPD with the following breakdowns:

- \$3.9 million in ongoing cuts included in the Department's budget submission due February 20, 2009.
- Additional \$3.7 million in contingency cuts that will be considered by the Mayor's Budget Office.

State Budget:

In addition to the local cuts, significant uncertainty remains with the state budget. The latest Governor's 2009-2010 budget proposal includes a \$320,038 (11% cut) to the Juvenile Probation and Camps Funding and complete elimination of the Camps funding at \$200,000. The JPD budget submission has not incorporated these proposed state budget cuts which total \$520,038. JPD is currently developing a reduction plan in the event the state cut is enacted when the state budget is finalized, likely in August or September 2009.

Federal Stimulus Bill:

The current stimulus bill under consideration in Congress proposes to allocate funds to the state to assist with balancing the state deficit and possible additional social programs funding. Overall, the impact will likely be positive from a fiscal perspective for the state budget deficit but unlikely to have specific budget impacts for JPD.

CURRENT YEAR REDUCTIONS

Due to a \$125 million citywide revenue shortfall in the current year, JPD was required to make a mid-year cut which will annualize to a \$1.6 million reduction in the community contracts budget next year.

FY 2009-2010 BUDGET PLAN AND REDUCTIONS

Based on the JPD Guiding Principles that were presented at the last Commission meeting, the 2009-2010 budget preserves functions that enable the Department to meet state and county mandated functions and core services while identifying new revenue to meet target reductions. Described in more detail below, the total proposed General Fund savings is \$1.45 million from both revenue proposals and expenditure reductions. While this falls short of the \$3.8 million target issued by the Mayor's Budget Office, JPD cannot responsibly identify any further reductions without dramatically jeopardizing public safety.

REVENUE STRATEGIES

With the authority provided for in the state Welfare and Institutions Code, JPD proposes to introduce three new fees (described below) that will generate approximately \$500,000 in fee revenue. In addition, a partnership with the Department of Public Health will allow the Department to draw down a federal and state match that will reimburse JPD for some case management work provided by our community-based partners. This, with the new fee revenue, will yield a total of approximately \$1.2 million in new revenue to offset General Fund costs.

- **Juvenile Hall Daily Fee = \$29.28 per day**
(Total Revenue/GF Savings = \$500,000)

A daily fee allows JPD to charge families for the costs associated with housing a youth in Juvenile Hall. Only food service and institutional items such as clothing can be reimbursed. The maximum daily fee is established by the state and is currently \$29.28 per day. However, JPD will implement a sliding fee scale based on family income. Based on the total number of bed days in 2007-2008 (42,655 bed days), the total potential revenue is \$1.25 million. JPD will budget a lower rate of revenue to account for some failed collections and families paying a reduced daily fee.

- **Juvenile Camps Daily Fee = \$28.25 per day**
(Total Revenue/GF Savings = \$90,000)

Similar to the Juvenile Hall daily fee, the Camps fee will be aimed at parents of youth at Log Cabin Ranch. The daily fee is lower because food and institution item costs at LCR are lower than Juvenile Hall costs. Again, the budgeted revenue projection assumes a less than 100% collection rate and reduced daily fees for some families.

- **Juvenile Record Sealing Fee = \$120.00 per sealing**
(Total Revenue/GF Savings = \$10,200)

This one-time fee will be charged to adults who request that their juvenile records are sealed. In 2007-2008, JPD received 85 requests to seal records, which is the basis for the revenue projection.

- **Department of Public Health Revenue Match**
(Total Revenue/GF Savings = \$693,000)

JPD will work order funding for high-level case management services provided by the Department's community service providers (CBO) to the Department of Public Health. This partnership between departments will draw down a federal and state revenue match for case management services through the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program. EPSDT funding criteria requires that CBOs are Medi-Cal certified providers and serve Medi-Cal eligible families and youth. JPD has identified that 13 of our current CBO partners fit the criteria, allowing for the preservation of the Department's community-services budget while at the same time generating General Fund savings.

EXPENSE REDUCTIONS

- **Administrative Position Layoffs**
(GF Savings = \$254,000)

Two filled administrative positions have been identified for deletion.

OTHER MAJOR BUDGET CHANGES

As a result of the Trial Court Facilities Act of 2002, JPD will transfer 10.6% of the YGC property including the cottages to the state Administrative Offices of the Courts (AOC) who will be managing the Court Exclusive space. In addition to the equity transfer, JPD is required to transfer a portion of the facilities maintenance budget associated with the space based on levels of expenditure in 2000-2001 which totaled \$106,000. This, in effect, reduces the facilities maintenance budget for YGC from \$263,000 to \$157,000. However, we are anticipating that the AOC will contract with JPD to continue to provide facilities maintenance services to Court Exclusive Areas. In addition, JPD will be reimbursed by the AOC for costs associated with maintaining shared common spaces including grounds maintenance. The revenue transfer to the AOC will be offset by their reimbursement to JPD for facilities maintenance cost thus the net impact will be zero.

SERVICE IMPACTS

There will be no direct service impacts as a result of the budget proposals described.

NEXT STEPS

Based on feedback from the February 11, 2009 Commission meeting, JPD will refine the budget reduction plan and present a revised plan at the February 18th Commission Finance Committee. The final budget submission is due at the Mayor's Budget Office and Controller's by February 20, 2009.