

06-01-95 THURSDAY, JUNE 1, 1995

STATEMENT OF PROCEEDINGS OF THE

BUDGET COMMITTEE OF THE WHOLE/JOINT MEETING

OF THE BOARD OF SUPERVISORS

OF THE COUNTY OF LOS ANGELES

HELD ON THURSDAY, JUNE 1, 1995

9:30 O'CLOCK A.M.

IN ROOM 381B OF THE KENNETH HAHN HALL OF ADMINISTRATION

500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012

Present: Supervisors Yvonne Brathwaite Burke, Zev Yaroslavsky,
Michael D. Antonovich and Gloria Molina, Chair

Absent: Supervisor Deane Dana

06-01-95.1 BUDGET MATTERS 1 - 2

06-01-95.1.1 3 1.

Presentations by the following Departments: Affirmative Action
Compliance

Office, Agricultural Commissioner/Weights and Measures, Alternate Public
Defender, Animal Care and Control, Auditor-Controller, Beaches and
Harbors, Board of Supervisors, Community and Senior Citizens Services,
Consumer Affairs, County Counsel, Human Relations Commission, Human
Resources, Military and Veterans Affairs, Music and Performing Arts
Commission, Public Library, Public Works, Regional Planning,
Registrar-Recorder/County Clerk and Treasurer and Tax Collector. AFTER
DISCUSSION NO ACTION WAS TAKEN; ALSO THE PRESENTATIONS BY HUMAN
RESOURCES,
MILITARY AND VETERANS AFFAIRS, MUSIC AND PERFORMING ARTS COMMISSION,
PUBLIC LIBRARY, PUBLIC WORKS, REGIONAL PLANNING, REGISTRAR-RECORDER/
COUNTY
CLERK AND TREASURER TAX COLLECTOR WERE RESCHEDULED TO THE MEETING OF
JUNE 6, 1995

(CONTINUED)

06-01-95.1.2 3 1. (Continued)

These presentations to include the following:

- a. Historical overview of the Department's
workload and budget over the last five years.
- b. Forecast of budget needs to meet projected
service requirements for the next three years.

- c. Creative ideas for new revenue, rightsizing and consolidation to fund these requirements.

- d. Impact of proposed 1995-96 reductions based on the following three scenarios:
 - (1) Annualization of mid-term budget adjustment

 - (2) 10% budget reduction

 - (3) 20% budget reduction

- e. Ability to absorb these reductions by reducing administrative overhead thereby minimizing service impact.

Absent: Supervisors Burke and Dana

Vote: Unanimously carried

06-01-95.2 BUDGET MATTERS (Continued)

06-01-95.2.1 4 2.

Report from the Chief Administrative Officer, Treasurer and Tax Collector and Auditor-Controller on the following items: CONTINUED ONE WEEK
(6-6-95)

a. County of Los Angeles - Fund Balance Project
Report (Peat Marwick Study)

b. Los Angeles County Property Tax Estimates:

(1) Projected receipts for Fiscal Year 1995-96

(2) Key assumptions underlying the Fiscal
Year 1995-96 estimates:

- (a) Change in Assessed Valuation
- (b) Delinquencies
- (c) Accruals
- (d) Refunds
- (e) Etc.

(3) Reconciliation of Fiscal Year 1994-95
assumptions and estimated actuals

c. Sales Tax Estimates:

(1) Projected receipts for Fiscal Year 1995-96

(2) Reconciliation of Fiscal Year 1994-95
assumptions and estimated actuals

d. Fund Balance Estimates:

(1) Projected beginning of year balance for
Fiscal Year 1995-96

- (2) Projected end of year balance for Fiscal Year 1994-95

(CONTINUED)

06-01-95.3 BUDGET MATTERS (Continued)

06-01-95.3.1 4 2. (Continued)

e. Status of Significant Accruals or Writeoffs:

- (1) SB 910 receivables

- (2) Others

f. Nondepartmental Revenues (Major Elements):

- (1) Projected receipts for Fiscal Year 1995-96

- (2) Reconciliation of Fiscal Year 1994-95 assumptions and estimated actuals

g. New or Increased Revenue Sources for Fiscal Year 1995-96:

- (1) Utility Users Tax

(2) Business License Tax

(3) Status of Departments' Fiscal Year 1994-95
Exercise (CAO)

h. Cash Flows:

(1) Projected cash flows for Fiscal Year 1995-96
(by month)

(2) Estimated end of year General Fund cash
position Fiscal Year 1994-95

Absent: Supervisor Burke and Dana

Vote: Unanimously carried

06-01-95.4 MISCELLANEOUS

06-01-95.4.1 3.

Additions to the agenda requested by Board members and the Chief Administrative Officer, which were posted more than 72 hours in advance of the meeting, as indicated on the green supplemental agenda.

06-01-95.4.2 2 3-A.

Discussion with the Director of Health Services on the Department's revenue and expenditure needs for Fiscal Year 1995-96 regarding the following items: ITEM NOS. 1 AND 2 WERE CONTINUED TO JUNE 6, 1995; INSTRUCTED THE CHIEF ADMINISTRATIVE OFFICER AND THE DIRECTOR OF HEALTH SERVICES TO WORK JOINTLY ON ALL POLICY RECOMMENDATIONS PERTAINING TO FACILITY CLOSURES AND CURTAILMENTS WITH RECOMMENDATIONS TO INCLUDE A CONTINGENCY PLAN TO DEAL WITH THE PATIENTS IMPACTED; ALSO THE CHIEF ADMINISTRATIVE OFFICER AND DIRECTOR OF HEALTH SERVICES WERE INSTRUCTED TO REPORT ON A) IMPACT ON WAITING TIMES; B) ACCESS TO REDUCED OR ELIMINATED SERVICES; C) GEOGRAPHIC ACCESS, INCLUDING ANALYSIS OF TRANSPORTATION SERVICES; D) IMPACT THE CURTAILMENTS WILL HAVE ON LOCAL COMMUNITY HOSPITALS, CLINICS AND OTHER COUNTY FACILITIES, THE EMERGENCY ROOM AND TRAUMA NETWORK; AND E) PROFILE OF PATIENT NEEDS, INCLUDING SOURCE OF PAYMENT; ALSO INSTRUCTED THE DIRECTOR OF PERSONNEL TO BEGIN PLANNING FOR IMPLEMENTATION OF A PROGRAM TO ATTEMPT TO PLACE EMPLOYEES WHO WILL BE LAID OFF FROM THEIR CURRENT POSITIONS INTO OTHER VACANT POSITIONS;

1. Report from the peer review panel on the validity of the census formula, comparing methods to those used by other public and private hospitals.
2. Director of Health Services' report on the appropriateness of using Fiscal Year 1992-93 as the benchmark year for the Full Time Equivalent position ratios.
3. Director of Health Services' reduction package of \$100 million.

(CONTINUED)

06-01-95.5 MISCELLANEOUS (Continued)

06-01-95.5.1 2 3-A. (Continued)

ALSO INSTRUCTED THE CHIEF ADMINISTRATIVE OFFICER, TREASURER TAX COLLECTOR,

AUDITOR-CONTROLLER, DIRECTOR OF PERSONNEL AND THE COUNTY COUNSEL TO SUBMIT

A REPORT TO THE BOARD PRIOR TO IT'S JUNE 13, 1995 MEETING THAT ADDRESSES THE FOLLOWING CONCERNS:

- A. WHAT IS THE "LAG TIME" ALREADY BUILT INTO THE CHIEF ADMINISTRATIVE OFFICER'S PROPOSED 1995-96 BUDGET? THAT IS, HOW LONG DOES THE CHIEF ADMINISTRATIVE OFFICER BELIEVE IT WILL TAKE TO ACHIEVE THE SAVINGS ALREADY TARGETED?
- B. GIVEN THE SIZE OF OUR PROJECTED DEFICIT, WHAT IS THE COST OF EACH WEEK'S DELAY IN MAKING DECISIONS ON BUDGET CUTS FOR 1995-96?
- C. USING THE 1994-95 ADJUSTED ALLOWANCE AS A STARTING POINT FOR EXPENDITURES, AND USING PROJECTED REVENUES FOR 1995-96, ESTIMATE THE COUNTY ABILITY TO MEET ITS CASH FLOW REQUIREMENTS THROUGH 1995-96. WILL THE COUNTY'S EXPENDITURES EXCEED AVAILABLE CASH ON HAND, AND IF SO, WHEN?
- D. ACCESS THE COUNTY'S ABILITY TO INCUR SHORT-TERM DEBT TO MEET CASH FLOW NEEDS, ABSENT AN AFFIRMATIVE ACTION TO ADDRESS THE ESTIMATED 1995-96 SHORTFALL;

(CONTINUED)

06-01-95.6 MISCELLANEOUS (Continued)

06-01-95.6.1 2 3-A. (Continued)

E. IDENTIFY THE LEGAL IMPLICATIONS, REQUIREMENTS AND SANCTIONS THAT WOULD RESULT IF THE COUNTY WERE UNABLE TO MEET ITS OBLIGATIONS. FOR EXAMPLE, WHAT OBLIGATIONS MUST BE MET FIRST? WHO HAS FIRST LIEN ON COUNTY CASH AND ASSETS? DOES THE STATE HAVE AN OBLIGATION TO INDEMNIFY THE COUNTY'S EMPLOYEES OR OTHER CREDITORS? DOES THE COUNTY HAVE A RESPONSIBILITY TO PHYSICALLY SECURE ITS FACILITIES (I.E., PARKS AND BUILDINGS) THAT ARE NO LONGER BEING USED FOR SERVICE DELIVERY? WHAT IS OUR OBLIGATION TO PROVIDE SERVICES TO OTHER JURISDICTIONS SUCH AS CONTRACT LAW ENFORCEMENT, PROPERTY TAX COLLECTION ETC.?

F. IDENTIFY THE POTENTIAL SAVINGS FROM ELIMINATING ALL DISCRETIONARY SERVICES AND RELATED COSTS.

Absent: Supervisor Dana

Vote: Unanimously carried

06-01-95.6.2 6 4.

Opportunity for members of the public to address the Board on items of interest that are within the subject matter jurisdiction of the Board.

NONE

Items not on the posted agenda, to be presented and (if requested) referred to staff or placed on the agenda for action at a future meeting of the Board, or matters requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Board subsequent to the posting of the agenda.

06-01-95.6.3 5

Recommendation as submitted by Supervisor Antonovich:
Instruct Director of Health Services to provide the Board with an impact report and contingency plan focusing on the Antelope Valley, which will provide the Board with information surrounding the availability of Medi-Cal providers for specialty care in the region; and instruct Director to provide the Board with a comprehensive report regarding discussions with private hospitals, with report to include documents by the private hospitals that outline their criteria for accepting patients from County facilities. INTRODUCED FOR DISCUSSION AND PLACED ON THE AGENDA OF JUNE 6, 1995 FOR CONSIDERATION

06-01-95.6.4 5

Recommendation as submitted by Supervisor Molina:
Instruct the Chief Administrative Officer to direct the Chief Lobbyist to immediately contract with an independent legislative advocate from the Board's pre-approved list that is familiar with the Governor's office and other legislators, to develop a strategy that will facilitate the creation of a revenue base sufficient to fund critical County services, specifically to grant the County local authority

to implement a Tippler's Tax.

INTRODUCED FOR DISCUSSION AND
PLACED ON THE AGENDA OF JUNE 6, 1995
FOR CONSIDERATION

Items not on the posted agenda, to be presented and (if requested) referred to staff or placed on the agenda for action at a future meeting of the Board, or matters requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Board subsequent to the posting of the agenda.
(Continued)

06-01-95.6.5 5

Recommendation as submitted by Supervisor Molina:
Instruct the Chief Administrative Officer to develop a legislative proposal for this year to enhance the States' community benefits law as follows:

INTRODUCED FOR DISCUSSION AND
PLACED ON THE AGENDA OF JUNE 6, 1995
FOR CONSIDERATION

Require that regulations for this law be submitted by a specific date and that the State agency have necessary public hearings regarding the implementation of the law's provisions;

Impose penalties, for non-profit hospitals and health maintenance organizations who fail to provide necessary information, with penalties to be in the form of providing a certain amount of uncompensated care;

Require a certain level of uncompensated care as part of community benefits plan; and

Include the requirement for health maintenance organizations.

06-01-95.6.6 5

Recommendation as submitted by Supervisor Molina:
Convene as the Budget Committee-of-the-Whole in
emergency session on Wednesday, June 14, 1995 at
9:30 a.m., to review options to preserve critical
County services. INTRODUCED FOR
DISCUSSION AND PLACED ON THE AGENDA
OF JUNE 6, 1995 FOR CONSIDERATION

06-01-95.6.7

Discussion of topics on the posted agenda and administrative requests by individual supervisors for reports from Department Heads on various matters as follows:

- Supervisor Molina requested the Alternate Public Defender to begin the process of imposing a flat fee for cases assigned to the Alternate Public Defender Department.
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06-01-95.6.8 2

The Meeting recessed at 1:32 p.m., following Board Order No. 1.

The Meeting reconvened at 2:41 p.m. Present were Supervisors Burke, Yaroslavsky, Antonovich and Molina, Chair presiding. Supervisor Dana was absent.

06-01-95.6.9 7

On motion duly seconded and unanimously carried, the meeting was adjourned in memory of the following person:

Motion by:

Name of Deceased:

Supervisor Molina for
Supervisor Burke

James Denny

The Budget Committee of the Whole/Joint Meeting of the Board of Supervisors adjourned (Following Board Order No. 7). Next regular meeting of the Board: Tuesday morning, June 6, 1995 at 9:30 o'clock a.m.

The foregoing is a fair statement of the meeting held June 1, 1995, by the Budget Committee of the Whole/Joint Meeting of the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

JOANNE STURGES
Executive Officer-Clerk
of the Board of Supervisors

By _____
ROBIN A. GUERRERO, Chief
Board Operations Division
