

MESSAGE FROM CHIEF ADMINISTRATIVE OFFICER DAVID E. JANSSEN

INTRODUCTION

Welcome to the County of Los Angeles Children and Families Budget for Fiscal Year (FY) 2006-07. The Children and Families Budget documents the efforts of the County of Los Angeles and its partners to improve the well-being of children and families, as measured by achievements in the five outcome areas adopted by the Board of Supervisors:

- Good Health
- Safety and Survival
- Economic Well-Being
- Social and Emotional Well-Being
- Education/Workforce Readiness

The County's Strategic Plan Goal 5: *Children and Families' Well-Being* serves as the foundation for the County's efforts. Goal 5 strategies and objectives are intended to gain better results for children and families through: focused and collaborative service planning; integration and implementation actions across County departments; strong County-community partnerships; and accountability for results. The Children and Families Budget is a Goal 5 objective and represents an important tool for promoting accountability and measuring the results of County services in contribution to the well-being of the County's children and families.

HISTORY AND PURPOSE OF CHILDREN AND FAMILIES BUDGET

In FY 2002-03, the County issued a restructured Children and Families Budget (Budget). Building on an earlier Children's Budget developed by the Children's Planning Council (CPC) and the Chief Administrative Office (CAO), the restructured Budget is intended to be a decision-making tool that measures and communicates the effect County programs are having, both individually and collectively, on improving the lives of children and families. It is also designed to provide a better picture of how much is being spent in the County in support of children and families, how those resources are being used, and how children and families are faring as a result.

The Budget provides a comprehensive inventory of County programs serving children and families, and links program performance data with budget allocations, actual expenditures, and funding sources. The Budget also provides an annual assessment of the progress departments, in collaboration with each other and their contractor and community partners, are making toward improving the lives of children and families.

The Budget is intended for several different audiences: the Board of Supervisors – to assist with budget and policy decisions; County departments – to assist managers and line staff with making data-driven management and programmatic decisions; the public – to increase the quality of information about the County's efforts and progress on behalf of children and families; and community partners – to foster information sharing, County-community collaboration, and leveraging opportunities.

For purposes of identifying programs for inclusion in the Budget, children and families are defined as follows:

Children – individuals ages 0-21. (*If a program's eligibility requirements define children beyond this age range, that program is also included.*)

Family – consists of two or more people who are members of the same household and comprise a child, as defined above, and at least one person who is a parent, guardian, or adult fulfilling the parental role.

Programs included in the Budget must also meet at least one of the following criteria:

- The primary target population of the program is children, families, or pregnant women;
- The program represents an effort by the department to improve outcomes for children and families; and/or
- The program's services are provided to at least one of the following populations:
 - Child/children in a family;
 - Adult family members who are receiving services because they are part of a family with children;
 - Adult family members who are receiving services because a child in the family is a recipient of County services; or

- Adult family members, pregnant women, or other adults who are receiving services that provide a direct benefit to a child.

This FY 2006-07 Budget represents year five of a five-year implementation plan: each department that delivers services for children and families as defined above provided individual program budgets and performance measures for all of its programs. The original plan was designed to allow time for the development of program level budgeting and tracking processes and tools and the full utilization of existing accounting and reporting systems. While data tracking continues to be a challenge, departments are continually developing and improving on the data, tools, and automated processes necessary to assist them with collecting, tabulating, analyzing, and monitoring performance data and budgetary information. As a result, the Children and Families Budget is a living document that continues to evolve and improve over time.

RELATIONSHIP BETWEEN CHILDREN AND FAMILIES BUDGET AND PROPOSED BUDGET

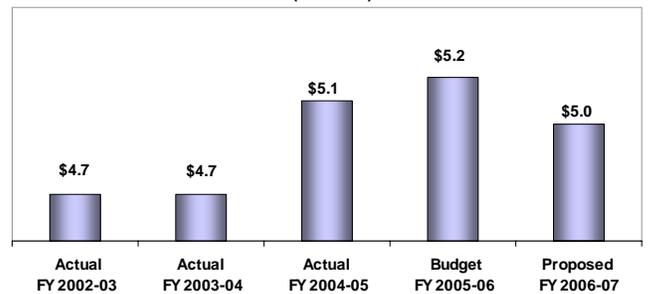
The Children and Families Budget is issued as an addendum to the County’s Proposed Budget. The Proposed Budget provides the CAO’s recommended annual departmental budgets; provides summary budget information; describes major resource allocation changes and the overall impact on operations and services; and reports *Performance Counts!* data. As an addendum, the Children and Families Budget generally includes more discrete programs serving children and families; however, some departments do report the same programs in both the Proposed Budget and the Children and Families Budget.

The County’s 2002 Strategic Plan included a strategy to develop a Countywide framework for reporting performance measurement on the results of County programs. This framework – *Performance Counts!* – was included for the first time in the FY 2004-05 Proposed Budget. The Children and Families Budget is directly aligned with *Performance Counts!* as both efforts are designed to promote the use of performance data in management decision-making and to incorporate department performance data and trends into the Board of Supervisors’ annual County budget deliberations.

OVERVIEW OF CHILDREN AND FAMILIES BUDGET

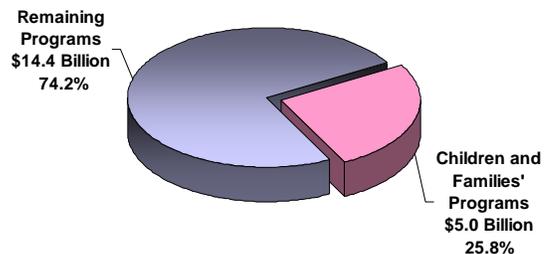
Nineteen County departments and two commissions have submitted programs for inclusion in the Children and Families Budget. These departments have identified 93 programs serving children and families. The total number of programs has fluctuated during the past five years as programs are added, deleted, and modified.

Historical Children and Families' Program Funding
(In Billions)



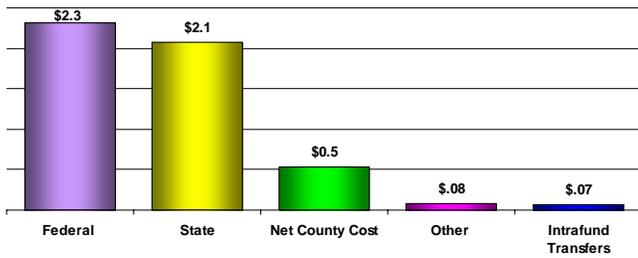
The FY 2006-07 Children and Families Budget includes a proposed total net appropriation of \$5.0 billion. This reflects a 0.2 percent decrease of \$8.9 million as compared to the FY 2005-06 budget. The FY 2006-07 proposed spending for programs serving children and families accounts for 25.8 percent of the total County Proposed Budget of \$19.4 billion.

FY 2006-07 County Proposed Budget Compared to Children and Families Budget



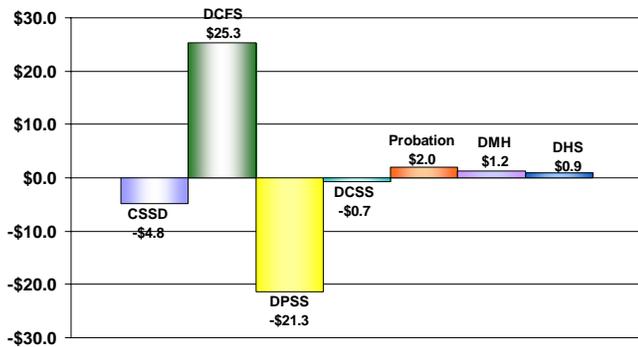
Programs serving children and families are dependent on receiving federal, State, County, and Other funds. County departments identified 114 unique revenue sources. Federal, State, and other funding sources offset 89.3 percent of total program costs.

FY 2006-07 Children and Families Budget Funding
(in billions)



The department experiencing the greatest growth in revenue is the Department of Children and Family Services (DCFS) and the department experiencing the greatest decline in revenue is the Department of Public Social Services (DPSS).

FY 2006-07 Increases and Decreases in Revenue for Major Health and Human Services Departments
(in millions)



The Children and Families Budget does not include the unknown impact that the State’s budget will have on the County. Based on decisions by the Governor and Legislature, the County’s Proposed Budget will be adjusted in May as part of the CAO’s Final Changes to the Proposed Budget, and presented for adoption by the Board of Supervisors in June. Some of these changes will have an impact on the departments’ budgets for children and families.

EXPENDITURES FOR CHILDREN AND FAMILIES BY MAJOR HEALTH AND HUMAN SERVICES DEPARTMENTS

The budgets for the County’s major health and human services departments, including the Departments of Children and Family Services (DCFS), Child Support Services (CSSD), DCSS, Health Services (DHS), Mental Health (DMH), DPSS, and Probation, represent the majority of County expenditures for children and families.

All DCFS and CSSD services are dedicated to children and families, therefore, the entire budgets for these departments are reflected in the Children and Families Budget. The remaining departments included in this Budget serve other County populations, in addition to children and families, including single adults, the elderly, and the general public. Therefore, only a portion of these departments’ total budgets are included in the Children and Families Budget.

The following identifies the Proposed Budget for the major health and human service departments and the proportion of each department’s total Proposed Budget that is allocated to programs serving children and families. For more budgetary detail on the departments included in this Budget, please refer to the County’s FY 2006-07 Proposed Budget, Volume 1.

Department of Children and Family Services

The FY 2006-07 Proposed Budget for DCFS is \$1.5 billion, which represents a 0.1 percent decrease of \$1.1 million as compared to budgeted FY 2005-06. DCFS’ entire budget is allocated to programs serving children and families.

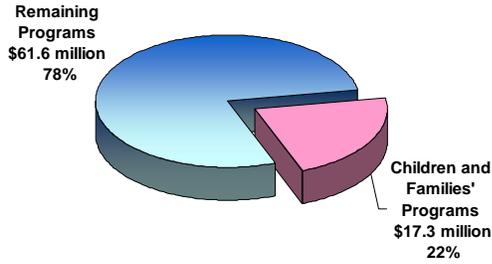
Child Support Services Department

The FY 2006-07 Proposed Budget for CSSD is \$185.3 million, which represents a 2.5 percent decrease of \$4.8 million as compared to budgeted FY 2005-06. CSSD’s entire budget is allocated to programs serving children and families.

Department of Community and Senior Services

The FY 2006-07 Proposed Budget for DCSS is \$78.9 million, which represents a 4.7 percent decrease of \$3.9 million as compared to budgeted FY 2005-06. DCSS has allocated \$17.3 million, which represents 21.9 percent of their total Proposed Budget, to programs serving children and families. Funding for the Department’s children and families’ programs has decreased approximately 1 percent, from budgeted FY 2005-06.

DCSS: Proportion of Department's Proposed Budget Allocated for Children and Families



Department of Mental Health

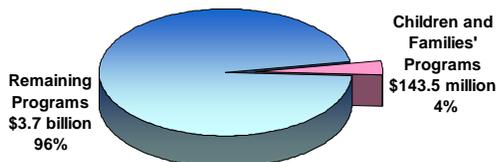
The FY 2006-07 Proposed Budget for DMH is \$1.1 billion, which represents a 1.3 percent decrease of approximately \$13.9 million as compared to budgeted FY 2005-06. DMH has allocated \$486.5 million, which is 45 percent of its total Proposed Budget, to programs serving children and families. This represents less than a 1 percent decrease of \$1.7 million in proposed spending for children and families in FY 2006-07 in comparison to the FY 2005-06 Budget.

Department of Health Services

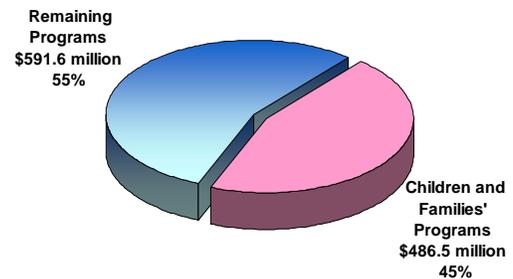
The FY 2006-07 Proposed Budget for DHS is \$3.4 billion, which represents a 15 percent increase of \$489 million as compared to budgeted FY 2005-06. DHS has allocated \$143.5 million, which is 4 percent of its total Proposed Budget, to programs serving children and families. This represents a 1 percent decrease of \$1.8 million compared to FY 2005-06 Budget.

To accurately account for the proportion of DHS' budget allocated for children and families, the Department's FY 2006-07 Proposed Budget has been adjusted from \$5.8 billion to \$3.9 billion to reduce the total by the amounts which are double-counted for accounting purposes. The following program budgets were excluded from DHS' submission: Obstetrics (Inpatient only, Labor/Delivery, and Nursery); Pediatrics Inpatient (excluding Psychiatric and Rehabilitation); and Rancho Los Amigos National Rehabilitation Center Pediatrics (Inpatient/Outpatient). DHS is unable to disaggregate funding for these programs. Although costs were estimated in last year's Children and Families' Budget, the estimated costs are no longer included.

DHS: Proportion of Department's Proposed Budget Allocated for Children and Families



DMH: Proportion of Department's Proposed Budget Allocated for Children and Families

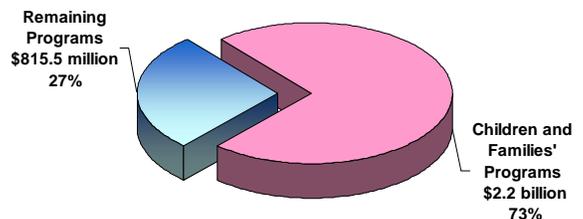


Department of Public Social Services

The FY 2006-07 Proposed Budget for DPSS is approximately \$3.0 billion, which represents a 2.5 percent decrease of approximately \$77.7 million as compared to budgeted FY 2005-06. DPSS has allocated \$2.2 billion, which is 73 percent of its total

Proposed Budget, to programs serving children and families. This represents a 1 percent decrease of \$20.9 million in proposed spending for children and families in FY 2006-07. This reduction can be attributed to the loss of State revenue in Title IV-E funding.

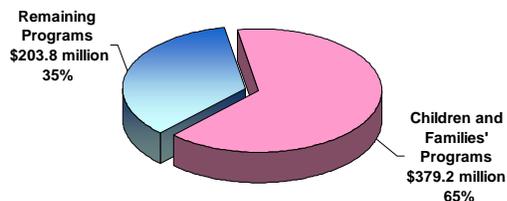
DPSS: Proportion of Department's Proposed Budget Allocated for Children and Families



Probation Department

The FY 2006-07 Proposed Budget for Probation is \$583 million, which represents an 8 percent increase of \$43.2 million as compared to budgeted FY 2005-06. Probation has allocated \$379.2 million, which is 65 percent of its total Proposed Budget, to programs serving children and families. This represents a 5.7 percent increase of \$20.3 million in proposed spending for children and families in the FY 2006-07 Budget. This increase primarily stems from higher revenue projections for several supervision programs and one camp program.

Probation: Proportion of Department's Proposed Budget Allocated for Children and Families



TOOL FOR DECISION-MAKING

Despite the fact that full implementation of the Budget has occurred this year, data is still under development for some programs. Refining the data collection and reporting processes for departmental programs will continue to evolve and improve in coming years as the County gradually shifts to performance-based budgeting. This year's Budget provides important information, as well as a historical context, about the County's efforts to improve the well-being of children and families.

In addition to this section, the Budget is broken into three other sections, each highlighting various aspects of children and families' program data and providing the reader with different information and analyses.

Below are more detailed summaries of the next three sections in the Budget:

Section Two: Efforts to Improve Outcomes for Children and Families

Section Two is designed to provide the reader with a better understanding of how the County's children and families are faring in the five outcome areas by reviewing key Countywide data and performance measure data from select County programs serving

children and families. Taken together, the Countywide data trends and program performance measures help the County assess the well-being of children and families and indicate where the County should focus its efforts to improve the well-being of children and families.

This section includes the following:

- Countywide data trends generally between 1998 and 2004 to measure progress in the five outcome areas;
- County program performance measure data for select programs, as they relate to the Countywide data trends and progress in the five outcomes; and
- A Program-Outcome Matrix that identifies which of the five outcomes each County program serving children and families is contributing towards.

Section Three: Departmental Program Performance and Results Budget Detail

This section includes the Children and Families Program Inventory and is intended to provide the reader with a better understanding of the County's resource allocation and services for children and families.

Organized by department, this section contains the following information:

- Scope of services provided;
- Expenditure and revenue information – historical, estimated FY 2005-06, and proposed FY 2006-07 by department and program;
- Program purpose and intended result statements;
- Contribution each program is making toward the five Board-approved children and family outcome areas;
- Collaborative partners working with the department on each program; and
- Program impact based on a review of the performance measure data.

In keeping with the five-year implementation plan, each department has provided program informa-

tion, performance measures, and budget detail for all of its programs.

Section Four: Funding Sources and Revenue

This section includes a comprehensive compilation of disaggregated revenue information to support the County's revenue maximization strategies aimed at improving the lives of children and families. The ultimate goal of the revenue maximization effort is to understand how well the County is utilizing funding opportunities in support of improving outcomes for children and families. The following information and analyses are included in Section Four to assist in decision-making:

- Review of federal and State budget impact on County programs serving children and families;
- Impact of revenue changes specific to the seven major health and human services departments (DCFS, CSSD, DCSS, DHS, DMH, DPSS and Probation);
- Review of primary funding sources that support major health and human services programs; and
- Inventory of all revenue sources.

CONCLUSION

The FY 2006-07 Children and Families Budget provides important information on the County's work on behalf of children and families, and signifies a momentous milestone in reaching full implementation of a five year effort. While the Budget continues to be a work in progress as departments build on and refine their program data and analytical tools, Countywide implementation of *Performance Counts!* and the implementation of an enhanced financial accounting system (eCAPS) will serve to improve the data reliability and comprehensiveness of the Children and Families Budget in future years.

As the following sections of the Children and Families Budget will demonstrate, the lives of children and families are directly affected by more than half of the County's departments and commissions and their many public and private partners. The County and its partners are committed to improving access, service quality, and effectiveness in the myriad of service areas affecting children and families: health and human services, cultural, recreational, literacy and school readiness, public safety, and community enhancement. Moreover, the County will continue to objectively measure performance and increase accountability for outcomes, foster collaboration, and identify opportunities for maximizing resources. The Children and Families Budget plays a critical role in the County's efforts to improve the lives of children and families and supports the County's mission to "Enrich lives through effective and caring service."