



Monterey County

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Board Report

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Receive the Sheriff's Office the Fiscal Year 2016-17 ending projected financial status report.

RECOMMENDATION:

It is recommended that the Board of Supervisors' Budget Committee receive the Sheriff's Office the Fiscal Year 2016-17 ending projected financial status report.

SUMMARY:

Even with various cost saving measures implemented throughout the fiscal year and comprehensive analysis of each expense and revenue account, the Sheriff's Office (the Office) is expecting approximately \$2.17 million shortage in appropriations, just over \$2 million shortfall in projected revenues for an estimated \$4.2 million shortage in the General Fund Contribution (GFC). The Office is working very hard to reduce the gaps by the end of the fiscal year and will return to your Committee with more accurate numbers and for the Committee's guidance.

The main reasons for the appropriation shortage and the Office not meeting the target GFC are 1) overspent overtime for the Corrections Operations Bureau due to not only mandatory shift coverages but also escorting and providing security for contractors in the Jail facility addressing plant issues identified in the jail conditions litigation; 2) overspent enforcement overtime due to fires, winter storms and regular law enforcement activities; 3) overspent overtime used to provide security at off-site hospitals for high risk, in-custody inmates; 4) maintenance and repair costs for old and deteriorating Sheriff's facilities; 5) various contracts related to recruitment efforts; 6) uniforms and safety equipment costs for newly hired employees and replacement of old safety equipment; 7) police academy tuitions; 8) appropriation shortage for Vehicle Asset Maintenance Program (VAMP); 9) shortage in revenues due to less spending for the reimbursable contract with Alameda County; and 10) unexpected inmates' medical bills.

The Sheriff's Office assisted with evacuating rural mountain neighborhoods, securing evacuated areas and the safe re-entry of those controlled zones since the beginning of the Soberanes fire on July 22, 2016. Sheriff's personnel were assigned on a 24-hour basis for approximately 65 days working 12-hour shifts. Due to our response to the Soberanes Fire, the Office incurred 7,258 manpower hours or \$512,000 of costs, which includes 5,033 hours of overtime or \$387,000 in overtime costs. Additionally, the Office assisted with the Chimney fire between August 20, 2016 and August 29, 2016 and incurred 1,081 manpower hours or \$74,000 of costs, which includes 797 hours of overtime or \$59,500 in overtime costs. Between these two fires the Office had incurred approximately a total of \$664,000 in personnel and equipment

costs and is expecting to get reimbursed by Federal and State governments approximately \$500,000. Additionally, the Office is estimating the termination benefit payoffs of approximately \$850,000 for 34 separations from County service and \$100,000 vacation buyback by the end of current fiscal year. There is not enough salary savings to offset these unbudgeted costs.

There are approximately \$2.03 million pending inmates' medical bills over the currently available appropriations in the Inmate Medical Program Unit. Out of \$2.03 million pending, \$1.4 million is reimbursable to Natividad Medical Center (NMC) and majority of the remaining balance is for a couple of larger bills to San Jose Regional Medical Center and Salinas Valley Memorial Hospital. In addition, it is estimated that more than \$480,000 of medical services were provided but bills for these services have not been received. Most, if not all the pending amounts were incurred or forwarded to the Office after submission of the mid-year estimate, as a result, these additional expenditures in inmate medical were not included in the Forecast. California Forensic Medical Group, Inc. (CFMG) is the provider of inmate medical services at the Monterey County Jail. When inpatient medical services are provided to inmates, the medical provider(s) send the invoices to CFMG. CFMG is contractually obligated to pay all inpatient bills \$15,000 or less. Bills in excess of \$15,000 are forwarded by CFMG to the Office and the Office pays the balance. This forwarding process takes longer than it should. In addition to the untimely processing on CFMG's part, there is a lack of staffing at the Office to track these expenditures. These additional inmate medical bills became known to the Office due to the aggressive efforts as part of fiscal year end processes by obtaining a list of inmates who sought outside medical treatments and by contacting medical service providers individually. Currently, the Sheriff's Office, County Counsel and Purchasing Department are working together to rewrite the contract without the \$15,000 cap language. This revision will allow the Office to be the primary contact for inmate medical bills and to be able to participate Medi-Cal Inmate Eligibility Program (MCIEP) and to ensure accurate claiming under that program. Additionally, throughout the FY 2016-17, the Office partnered with the County Administrative Office, Department of Social Services and NMC to develop a network to rapidly identify inmates as hospitalized, to determine Medi-Cal status on those inmates, and to develop a timely and accurate list of hospital claims as incurred. This allowed the Office to recognize claims as expenses during the year in which they were incurred. Medical expenses were higher than anticipated due to an older jail population with more serious chronic health conditions (hepatic, cardiac, diabetic complications) and a significant population of homeless and transient persons who have not had adequate health care for many years.

OTHER AGENCY INVOLVEMENT

The County Administrative Office has reviewed this report.

FINANCING

The Sheriff's Office is not requesting any additional appropriations at this time. However, by the end of the fiscal year, the Office will return to your Committee with updated estimates and for your guidance to resolve the funding shortage issues.

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Approved by Steve Bernal, Sheriff

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