

# Long Beach Health Department Programs Hit Hard By Local, State Budget Cuts

Loss Of More Than 100 Jobs

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Now that the city council has approved the Long Beach Department of Health and Human Services' proposed budget for fiscal year 2011, the department's focus is on the budget for the State of California.

"With the condition of the state, we have extraordinary concerns about the state passing and getting a budget in place by the end of the calendar year," Health Department Director Ronald Arias said.

The health department has programs approved for funding by the state, and services through those programs have been active since the beginning of the state's fiscal year, July 1, in order to fulfill the obligations of the approval. Because of holdups in the state budgeting process, those funds have yet to come through.

"This plays out with all the community clinics and all the state-funded childcare providers, a wide range of services, and they're all squawking as well saying, 'You're expecting us to maintain these services and keep these kids in childcare and keeping our services at the clinics running,' and we're not getting reimbursed. That can only go so long," Michael Johnson, support services manager for the department, said.

## Local Control Over Health Issues

The 104-year-old department is just one of three city health jurisdictions in the state; the others being Pasadena and Berkeley. The rest of California is served by 57 county health jurisdictions. In Los Angeles, according to Arias, the county's health department serves more than 90 cities and unincorporated areas, whereas the Long Beach department can maintain local control.

The health department is 90 percent funded from federal, state and other non-city sources and 10 percent funded from

the city's General Fund. Health and human services is approximately a \$50 million department. In fiscal year 2009-10, the department received a budget of \$48 million. The department's fund, the Health Fund, comprised \$43 million of the budget. The \$5 million from the General Fund is used for municipal services. The majority of it, almost \$4 million, is put toward Long Beach Animal Care Services. The rest is divided among support for a jail medical clinic and screenings, environmental hazardous waste cleanup and a small amount to the Multi-Services Center for homeless services.

The bulk of the department's budget is put toward public health programs, such as those for maternal care and HIV/AIDS patients. Most of it is federal money funneled through the state and passed through to health jurisdictions. The department also gets funding through competitive grants for environmental health and community challenges, as well as funding from foundations and endowments.

## 'Budget-Cutting Mode'

According to the budget proposal, no fund has taken greater steps to address and face severe financial hardships as the Health Fund outside of the General Fund, since it has been directly impacted by state budget reductions for the last eight years, according to Arias. "I've been the department head now for 10 years. With the exception of the first two years, we've been in a budget-cutting mode for the past eight. It has required us to become more efficient. It has certainly thinned out the ranks of having some backup in certain positions," he said.

Four to five years ago, Arias said the department had more than 450 employees. In the 2009-10 fiscal year, the department employed 325 people. That year eliminated more than \$8 million and cut 100 positions, one of the most severe cuts the department has endured in the last 20 years.

"One thing remains . . . 70 percent of our employees live in the City of Long

Beach," Arias said. "Of course, their connection to the department professionally is great, but they're also Long Beach people who want to do good things for this community. Many of them, like Michael [Johnson] for example, were born and raised in Long Beach. So we really have deep roots in the community, and I think that's another area where it provides us

with a quality of professionalism that really is at the heart and the strength of this department. That is what keeps us going."

About \$1.1 million in savings was built into the department budget this year. This total does not include the mayor's declaration to cut an additional one percent from each city department, which equates to about \$50,000 of General Fund dollars



The Long Beach Health and Human Services Department, located on Grand Avenue near Willow Street, has experienced numerous budget reductions during the past eight years, yet Director Ronald Arias, right, said he is cautiously optimistic about future funding for the entity. Pictured with Arias is Michael Johnson, the department's support services manager. (Photograph by the Business Journal's Thomas McConville)

from the health department. At this point, Arias said he is unsure where that money will come from. "We still need to needle down on that. We're still waiting for more definitive information from financial management." [About a week after the city council approved the budget on September 14, Mayor Bob Foster issued a line-item veto calling for, among other things, an additional one percent reduction in each department's expenses. The mayor's action came as a surprise to not only councilmembers but to department heads.]

As part of the health department budget, the entity will see about \$654,000 in budget reductions through the elimination of a physician, a lab microbiologist and downsizing programs including Family Planning, Medi-Cal Gateway and the Preventative Health Clinic in order to stay afloat. Arias said some positions in the department are learning the responsibilities of others in an effort to increase productivity and organization. "We are doing more with less. But there are also limits. There are times when you do hit that wall and you cannot do certain things. I think that's become quite evident this year," he said.

The city manager-proposed Plan B cuts approved by the city council on September 14 include an additional \$251,000 reduction. Those cost savings come from eliminating the coordinator and liaison position for the Early Care and Education Committee, made up of local daycare providers and others. The department will still have some relationship with that committee, but that's another area where they still need to fully define how that will work. This position was part of the department for close to 15 years. "That was a significant loss to the city and to this department," Arias said.

Another cut is to the contracted van service used to transport homeless through the Multi-Services Center and a reduction in supplies purchased for the center. Arias said the department is hoping to maximize services and squeeze dollars

with a better bid through a new request for proposals. "We might be able to squeeze that \$16,000 out of a more efficient and better bid," Arias said.

One change in Plan B was the item requesting that the department charge rent to the nonprofits housed in health department-owned facilities. After the nonprofits expressed they would have severe difficulty paying rent, the city council asked the department for an alternate solution. The department substituted the item for a cost-savings effort by finding program efficiencies and working with the city prosecutor through environmental hazardous waste cleanup.

## Economic Development

With the various reductions and cost-saving measures the department built into its budget, some hope for economic development is coming to the department through city manager's Plan A. Plan A included an increase in Animal Care Services fees for contract cities Los Alamitos, Cerritos, Seal Beach and Signal Hill. The plan created a newly mandated state licensed veterinarian position to oversee rabies and quarantine policy and generate further revenue for the city. It also created four full time equivalent non-career animal license inspector positions. It's estimated that new revenue will come in through the expansion of the veterinary and licensing program above and beyond the cost of those positions.

"Basically what we are doing is bringing in these license canvassers and this veterinary function to help us with major changes in how we do business over at Animal Care Services. So the Animal Care functions, in addition to a couple of other minor savings, gave us about \$200,000 worth of savings in the General Fund," Johnson said. ■