

County coughs up cash for claims

By Jonathan Edwards
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WOODLAND — “Sloppy” money-handling carved multimillion-dollar deficits into Yolo County's budget over a decade, officials said Tuesday.

The county could owe the state as much as \$8 million, much of it payback for cash received from false mental health claims.

“This has been an enormous struggle,” said Supervisor Helen Thomson, board chair. “For a department to drag that much debt along is very ... demoralizing, and obviously it impacts the services that are provided.”

So supervisors voted unanimously to take \$10.6 million from a fund designed to cover the cost of eventually closing the county dump, and lend it to mental health and public safety coffers.

Future audits and negotiations could lower the bill for mental health, but state law requires counties to cover the worst-case scenario, said Pat Leary, assistant county administrator. For example, a \$2 million bill from 2001-02 turned into \$641,000 after a settlement.

Don't expect succeeding years to result in such a large chunk getting knocked off, Leary warned the board. She expects future adjustments to more closely mirror the state's original estimates.

And things have changed in the Alcohol, Drug and Mental Health Department in recent years, Thomson said. The county no longer pays contractors for cases not covered by the state. Moreover, it's not listening to consulting “companies that promised a lot and didn't deliver,” Thomson said.

Those consultants advised the county to submit claims that eventually were thrown out by the state, which demanded its money back. She hinted at legal action.

“We took advice that was erroneous,” Thomson said, “If you're a doc, and you do that, you get a malpractice suit. There's got to be something equal in the financial world. I think those folks ought to be held accountable as well.”

The state also shares some blame, said Supervisor Jim Provenza. Ever-changing auditing standards and audits delayed by at least half a decade made it hard for the county to react in a timely fashion.

However, the county auditor/controller, Howard Newens, said he has all the tools to ensure transparency.

“From now on, we go forward with no deficit — no past deficit and no current deficits — and we're going to try to maintain that every year,” Newens said.

Thomson called reaching “zero” on the balance sheet “an incredibly important step we have not had in this county in a long time.”

Echoing her, Provenza said, “I don't think there's anything more important than keeping track of how we're spending our money and not getting in a hole financially.”

The money transfers were part of wrapping up last year's budget. The board also adopted a budget for this year, an action state law requires by Oct. 2.

County Administrator Patrick Blacklock said he "wanted to delay" adoption until the state budget, on which counties are heavily dependent, is in place. Nevertheless, he gave supervisors wiggle room to come back and revisit it once Sacramento lawmakers pass the state's spending plan.

"We fully expect to have to return to address what are likely, unfortunately negative impacts," Blacklock said.

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