



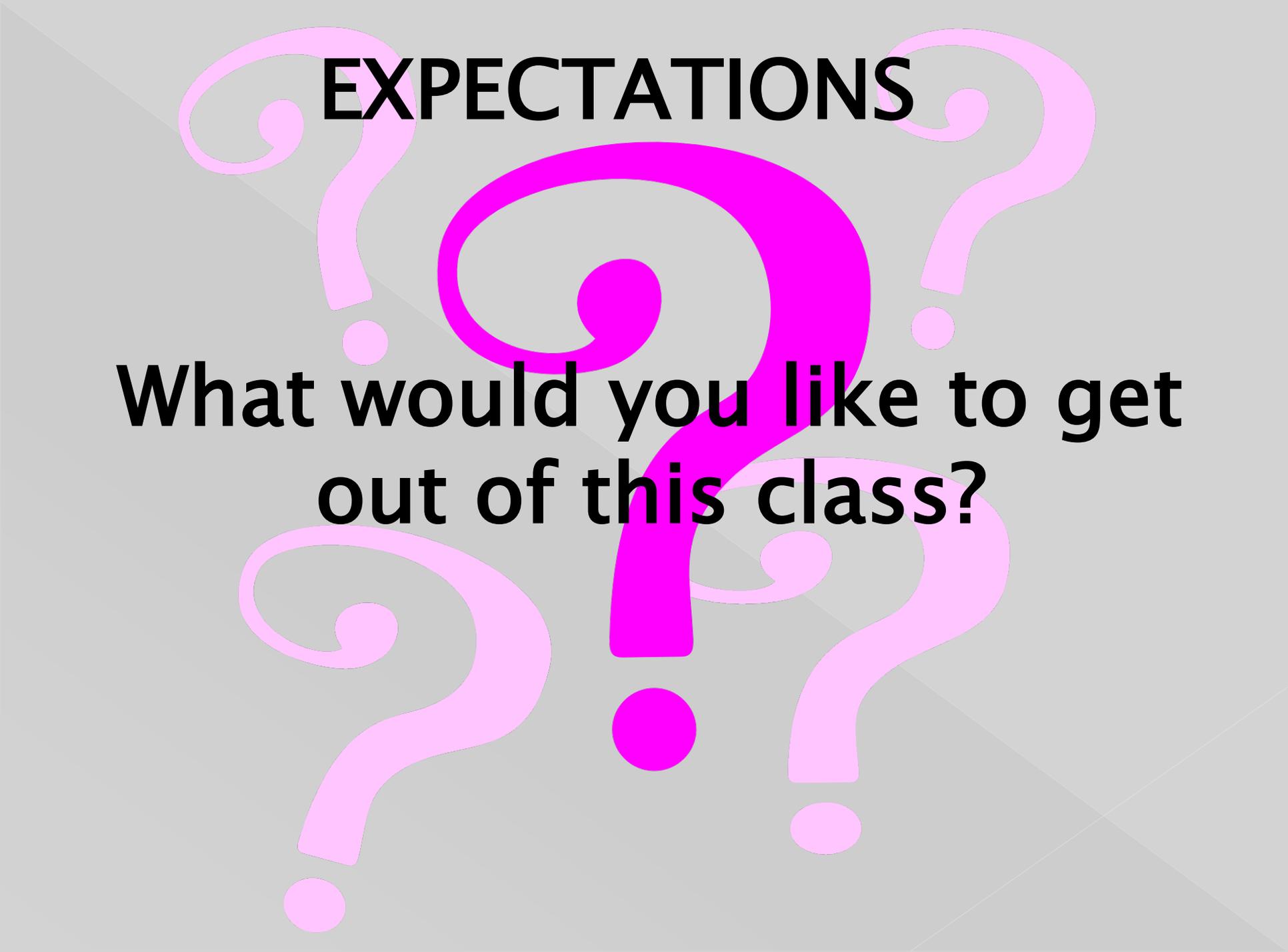
# **SOCIAL SERVICES FISCAL ESSENTIALS 101**

**BY**

**ROBERT MANCHIA**

**Chief Financial Officer  
San Mateo County – HSA**

# **EXPECTATIONS**



**What would you like to get  
out of this class?**

# AGENDA

Your next hour and a half ...

- ⦿ Go over the Basics
- ⦿ Dive into Realignment
- ⦿ Conversation about leveraging opportunities
- ⦿ County Examples

# Funding Components

- ◉ Federal Participation
- ◉ State Participation
- ◉ Realignment
- ◉ County Participation
- ◉ Grants
- ◉ Other/ Miscellaneous



# Federal Funding

- ⦿ Federal fiscal year is October 1-Sept 30
- ⦿ The majority of our mandated program funding begins at the federal level.
- ⦿ Federal program regulations describe the funding parameters that are to be used for each federal funding source.

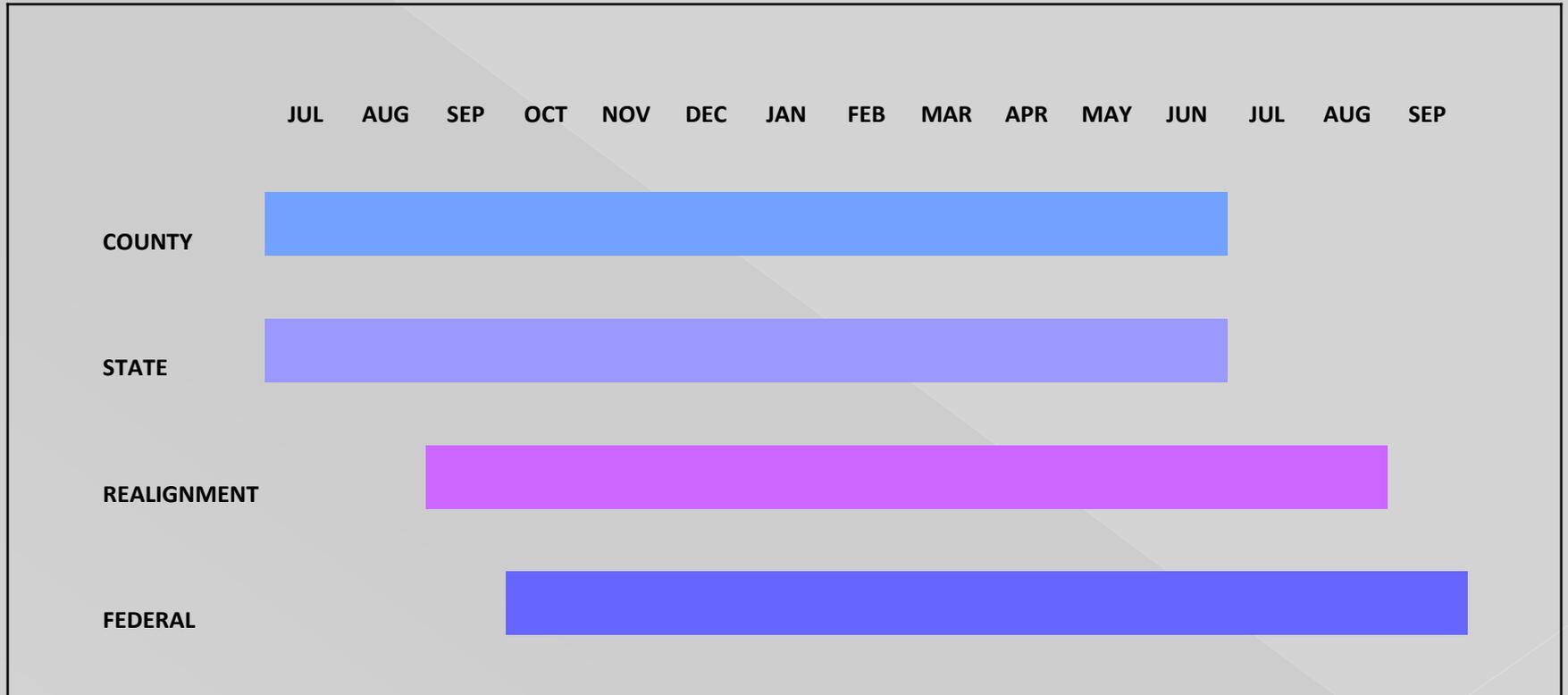
# State General Funding

- ◉ State fiscal year is July 1- June 30
- ◉ The State budget delineates how much State General funds will be available
  - > State General Fund is used to draw down Federal dollars
  - > There are also State only programs.
- ◉ Allocations letters delineates how much each County will receive.

# Realignment Funding

- ◉ Realigning of Sales Tax and Vehicle License Fees to cover the State and County Share of costs
- ◉ Social Services is funded with two Realignment pool
  - > 1991 Realignment
  - > 2011 Realignment

# Chart of Fiscal Years



# Sharing Ratios

## HUMAN SERVICES FUNDING PROGRAM SHARING RATIOS (as of July 1, 2013)

	FEDERAL	STATE	REALIGNMENT 2011	COUNTY SHARE POST 1991 REALIGNMENT	
SERVICES	CWS	50% Eligible costs, Title IV-E 75% SPMP, Title XIX 50% HR, Title XIX 75% Title IV-B		70% NF Share 30% NF Share	
	IHSS Admin	75% SPMP, Title XIX 50% HR, Title XIX	State Share varies depending on MOE	MOE	
	CSBG/APS	75% SPMP, Title XIX 50% HR, Title XIX		70% NF Share MOE	
	Licensing	50% Eligible costs, Title IV-E	100% NF Share	None	
	Adoptions	50% Eligible costs, Title IV-E		100% NF Share None	
	PSSF	100%	None	None None	
	CAPIT	None		100% Realigned None	
	State Family Preservation	50% Eligible costs, Title IV-E	70 % NF Share		30% NF Share
	Training	75% Title IV-E		70 % NF Share	30% NF Share



# Maintenance of Effort (MOE)

- ◎ A MOE is a set level of County financial responsibility
- ◎ Programs with MOE's:
  - > CalWORKs/CalFresh Combined
  - > IHSS

# MOE (cont'd)

- ⦿ **Overspending capped allocations can cause the County to exceed their MOE**
- ⦿ **The county will never pay less than the MOE.**



**PROGRAM**

**ASSISTANCE  
(CA800)**

**ADMINISTRATION  
(CEC)**

# Assistance

- CalWORKs assistance costs are considered Entitlement programs (uncapped), not allocated to counties, and are now realigned.
- Foster Care and Adoptions Assistance programs are funded with Federal funds and 2011 Realignment
- IHSS is funded through Title XIX and moved to the new MOE model, making the State share vary

# Administration

- ⦿ Allocations are made to the administrative side of the house with capped State funding streams, and in some cases, uncapped Federal Funds
- ⦿ Allocations are reimbursed by the expenditures through CEC.
- ⦿ Allocations are not controlled at the detail level.
- ⦿ Allocations are only good for one fiscal year!  
Use it or lose it.

# Allocation Development

- Each Allocation uses a different methodology/ies to develop County Specific Amounts
- Usually outlined in Allocation Letter
- Outlined in Annual Allocation Matrix developed by the CWDA FAAD's workgroup



# Allocation Matrix Produced by CWDA

## ALLOCATION MATRIX

ALLOCATION CATEGORIES	SPECIFIC ALLOCATION	METHODOLOGY OF CALCULATION	DATA SOURCE(S)		DATA COLLECTION PERIODS
			ALLOCATIONS	ESTIMATES	
Welfare Allocations	1) <b>Foster Parent Training and Recruitment</b> CFL 07/08-11	<ul style="list-style-type: none"> <li>Training funds are allocated based on the average number of children placed in out-of-home care, excluding group homes; foster family agencies; and probation.</li> <li>Recruitment Funds are allocated based on average monthly number of children in out-of-home placement, excluding probation.</li> </ul>	<ul style="list-style-type: none"> <li>Use CWS/CMS data as reported by counties.</li> <li>Adjusted for Title IV-E waiver counties.</li> <li>No county receives less than prior year allocation.</li> <li>Data Collection Period: Calendar Year 2006</li> </ul>	<ul style="list-style-type: none"> <li>Adjusted for Title IV-E waiver counties issued separately.</li> </ul>	
	2) <b>Independent Living Program</b> CFL - 07/08-07	<ul style="list-style-type: none"> <li>Allocation is based on one quarter of the revised FFY 06 allocation plus three quarters of the estimated FFY 2007 grant less funding for State operations.</li> <li>\$40,000 minimum floor remains unchanged.</li> </ul>	<ul style="list-style-type: none"> <li>1/2 funds distributed using each county's percentage share to the statewide total of age 0-17 from the 2000 census. 1/2 distributed using each county's share of statewide total children in poverty from 1997 census.</li> </ul>	<ul style="list-style-type: none"> <li>Subject to Federal grant appropriation.</li> <li>General fund portion is frozen.</li> </ul>	
	3) <b>Supportive and Therapeutic Program (STOP)</b> CFL 07/08-05	<ul style="list-style-type: none"> <li>County allocations are based on 06-07 levels.</li> <li>A minimum allocation of \$5,676 for participating counties. This amount is based on the projected FY 07/08 annual cost per child for mental health services.</li> </ul>		<ul style="list-style-type: none"> <li>Same as Allocations</li> </ul>	
	4) <b>State Family Preservation Permanent Transfer</b> CFL 07/08-16	<ul style="list-style-type: none"> <li>Counties are required to match the funds at the nonfederal sharing ratio of the 70% State and 30% County.</li> <li>County specific allocations calculated by Estimates branch and distributed via CFL by CFAB.</li> </ul>	<ul style="list-style-type: none"> <li>Same as Estimates.</li> <li>Only 15 counties participating as of Fiscal Year 07-08.</li> </ul>	<ul style="list-style-type: none"> <li>This allocation is distributed to counties that submit an annual plan to the state.</li> <li>Federal Title IV-E, nonfederal, and federal Title XIX funding levels based on 01/02 expenditure data.</li> </ul>	<ul style="list-style-type: none"> <li>No data collected.</li> </ul>
	5) <b>Adoptions Program Basic Costs</b> CFL 07/08-17	<ul style="list-style-type: none"> <li>The Adoptions Program allocation is based on county specific unit cost calculation from FY 01/02, which was multiplied by each county's performance agreement full-time equivalents to determine each county's individual allocation.</li> <li>Outcomes allocation was distributed based on each county's percent to total Adoptions Program Basic allocation.</li> </ul>	<ul style="list-style-type: none"> <li>County performance agreement with CDSS for # of adoptions per worker per year. This is multiplied by a unit cost based on FY 2001-2002 actual expenditures.</li> </ul>	<ul style="list-style-type: none"> <li>County Specific</li> </ul>	

# 1991 Realignment



There are two dedicated revenue sources to fund the programs:

- ◉ A one-half cent increase in the State sales tax
- ◉ An increase in vehicle license fees
- ◉ Changed with AB85

# 1991 Realignment Programs

- AB 8 County Health Services
- Local Health Services
- California Children's Services
- Indigent Health
- CalWORKs
- Employment Services
- County Services Block Grant
- In-Home Supportive Services
- Foster Care
- CWS
- Adoptions
- County Stabilization Subvention
- County Juvenile Justice Subvention (AB90)
- Mental Health
- EPSDT
- Managed Care

# 1991 Realignment Program Ratios

Program	Old Share (non-Fed)	New 1991 Share (non-Fed)
CalWORKs Aid Payments	11%	5%
CalWORKs Eligibility	50%	30%
Foster Care	5%	60%
Child Welfare Services	24%	30%
Adoptions Assistance	0%	25%
CalWORKs Employment Services	0%	30%
In-Home Supportive Services	3%	35%
County Services Block Grant	16%	30% total
California Children's Services	25%	50% total

# CalWORKs MOE Realignment

- ◎ AB 118 and ABX116
- ◎ The intent of this legislation is to limit the county's share of cost to the amount of funds received in its CalWORKs MOE Subaccount.

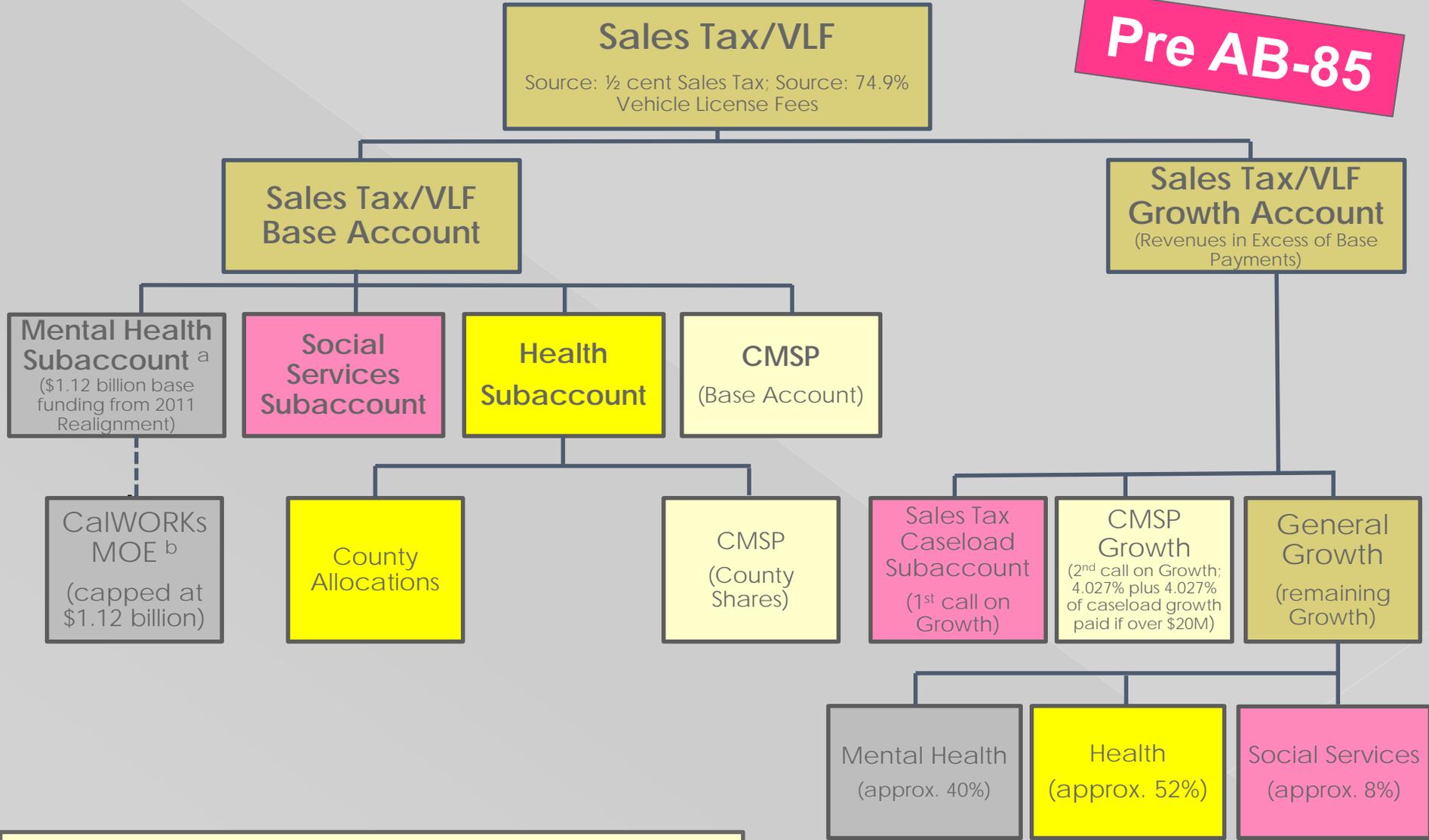
# AB85 IMPACTS

- **Redirection of Health Realignment**
  - **New accounts (Child Poverty & Family Support)**
  - **Type of County formula**
- **VLF and Sales Tax Swap**
- **Changes/Redirection in Growth**

# 1991 REALIGNMENT STRUCTURE - STATE

## SALES TAX/VLF DISTRIBUTIONS

**Pre AB-85**



If CalWORKs MOE has reached cap, funds in excess go to Mental Health



# 2011 Realignment

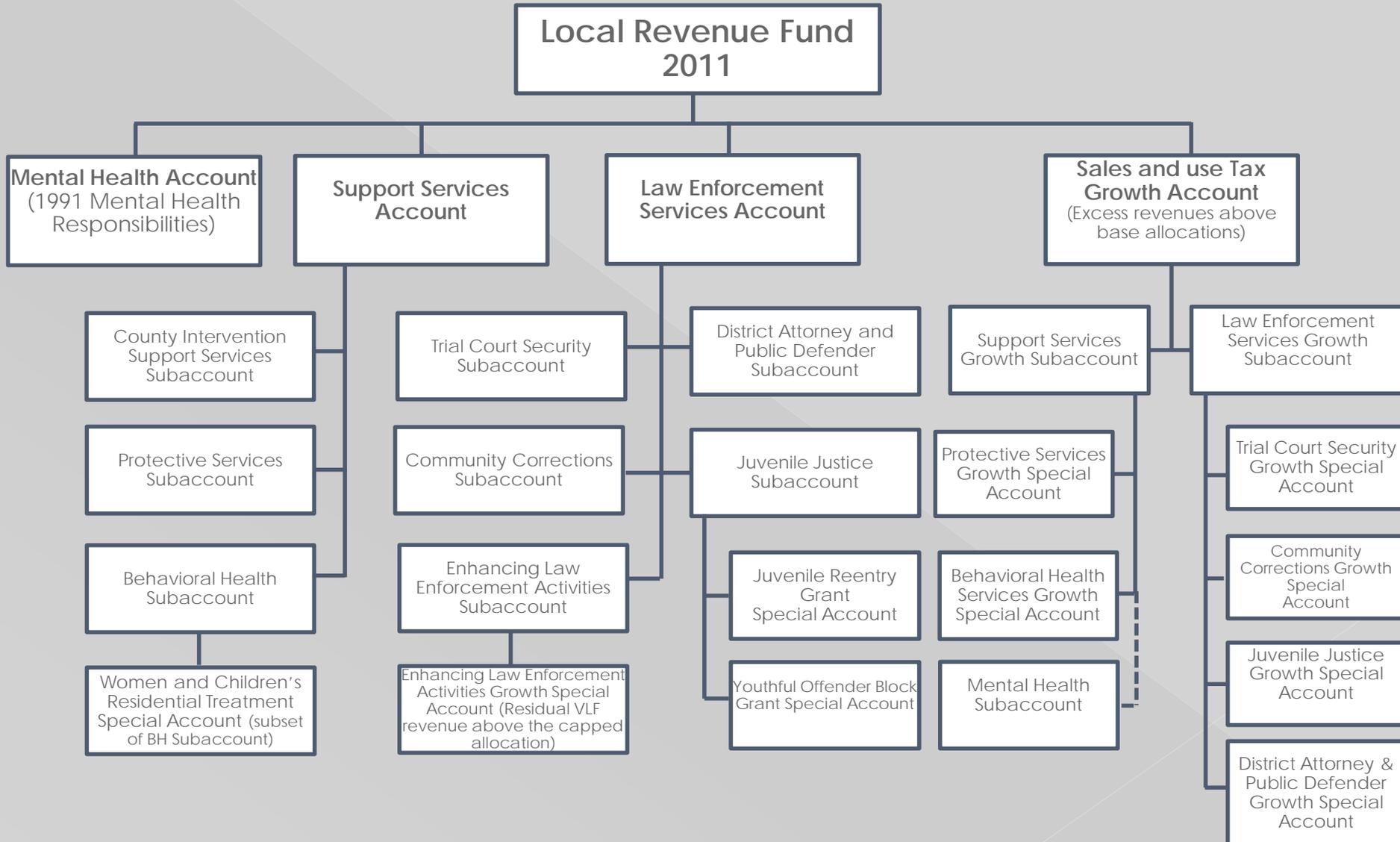


- ◉ Instead of State General fund allocations, Counties will receive a % of 2011 realignment funding.
- ◉ Increased risk to Counties if sales tax and VLF do not materialize

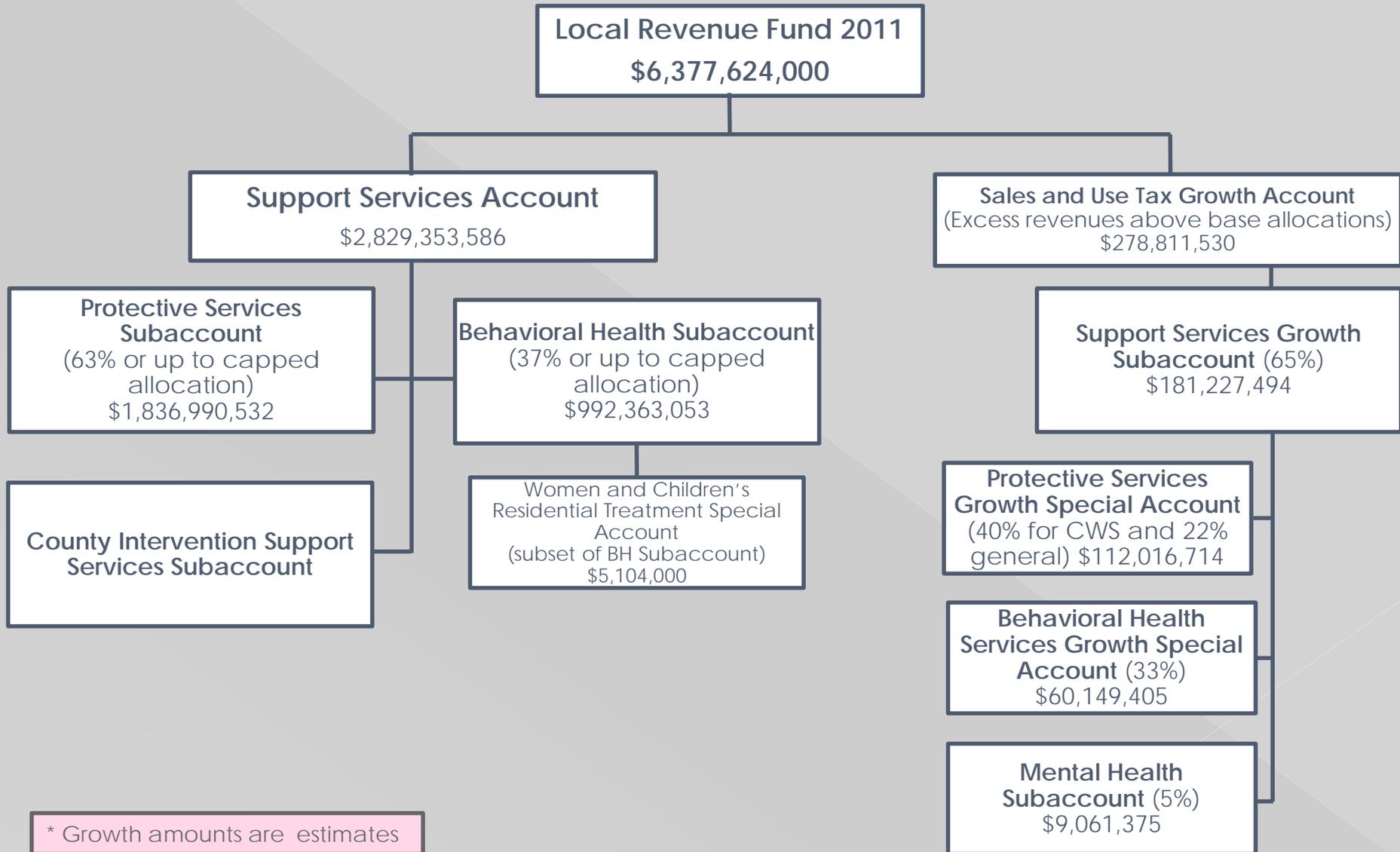


# Local Revenue Fund 2011

## State Structure



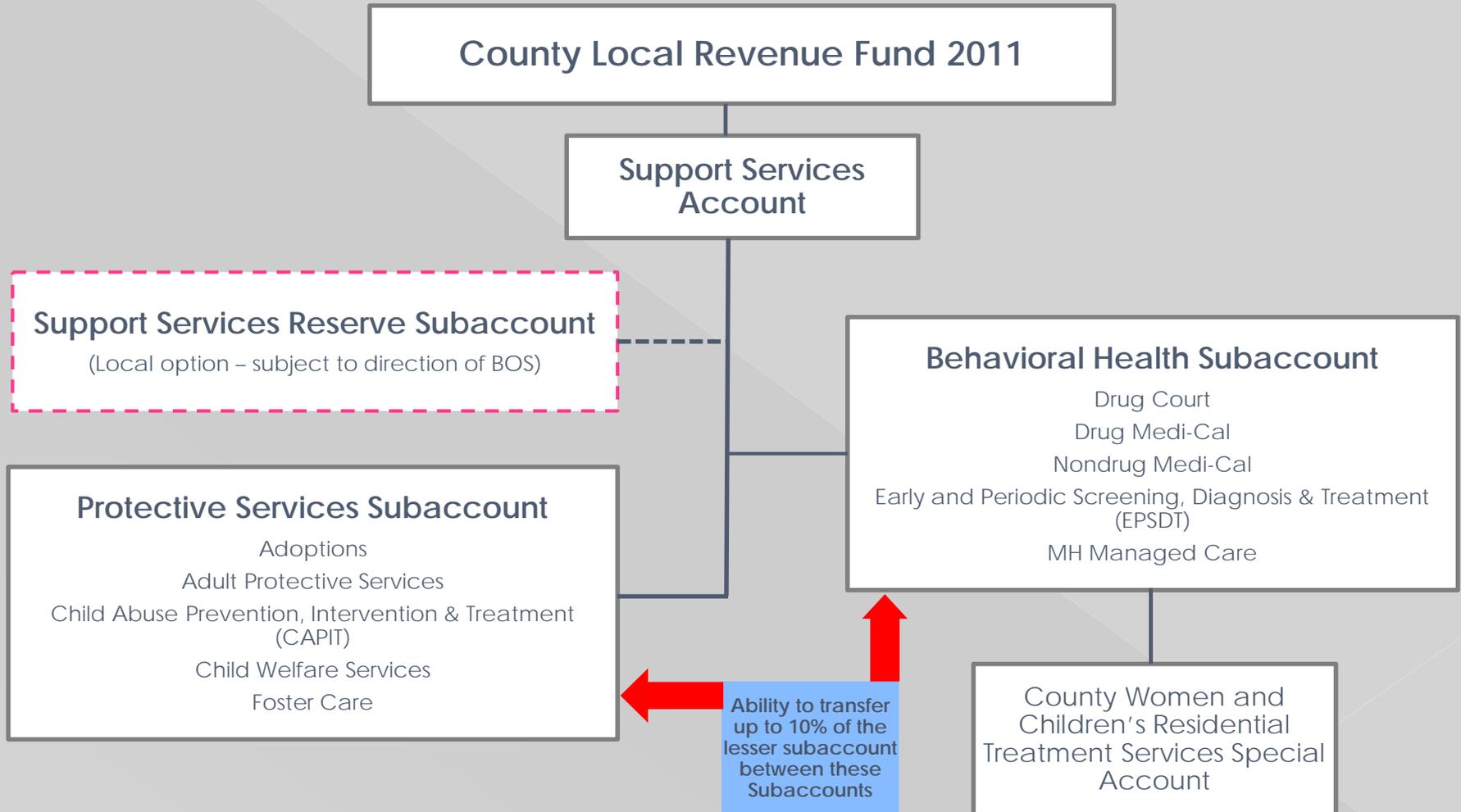
# State Structure for Support Services for FY 2013-14



\* Growth amounts are estimates

# County Local Revenue Fund 2011

## Support Services



# 2011 Realignment Programs

- Foster Care
- CWS
- Adoptions
- Adult Protective Services
- Child Abuse Prevention, Intervention & Treatment (CAPIT)
- Women and Children's Residential Treatment
- Drug Medical
- Nondrug Medical
- Drug Court
- Mental Health
- EPSDT
- Managed Care
- Law Enforcement
  - Trial Court Security
  - District Attorney and Public Defender
  - Juvenile Justice
  - Community Corrections
  - Local Public Safety Subventions

# Intersection of Realignment Programs

## 1991 Realignment

- AB 8 County Health Services
- Local Health Services
- California Children's Services
- Indigent Health
- CalWORKs
- Employment Services
- County Services Block Grant
- In-Home Supportive Services
- County Stabilization Subvention
- County Juvenile Justice Subvention (AB90)

## Shared

- Foster Care
- CWS
- Adoptions
- Mental Health
- EPSDT
- Managed Care

## 2011 Realignment

- Adult Protective Services
- Child Abuse Prevention, Intervention & Treatment (CAPIT)
- Women and Children's Residential Treatment
- Drug Medical
- Nondrug Medical
- Drug Court
- Law Enforcement
  - Trial Court Security
  - Juvenile Justice
  - District Attorney and Public Defender
  - Community Corrections
  - Local Public Safety Subventions

# Things to Consider

- ◎ Several Years of Growth Adjustments
- ◎ \$200 million - CWS
- ◎ CWS Augmentation
- ◎ Base Restoration



# Flow of 1991 Realignment – Theory and Reality

## “1991 Realignment Social Services (Sales Tax and VLF) – Full Funding Assertion”

9/9/2014

### 1991 REALIGNMENT (SALES TAX AND VLF) SOCIAL SERVICES FULL FUNDING ASSERTION

#### IN THEORY

- \* Each year State Controller's Office (SCO) publishes a base amount of realignment (equivalent to its prior year amount of realignment), plus growth for caseload, and possibly "general growth"
- \* The base amount plus the growth amount becomes the next year's "Base amount"
- \* These funds flow annually and are available to cover the county share of the 1991 Social Services Realignment programs

STATE	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	Total
Base *	1,638,646,354	1,732,860,104	1,838,249,556	1,943,222,110	1,987,394,879	1,987,481,703	2,028,209,557	13,156,064,265
growth (caseload)**	91,543,337	105,389,452	104,972,554	44,172,769	86,824	40,727,854	102,275,815	489,168,605
growth (general)	2,670,413						13,748,615	16,419,028
<b>Total</b>	<b>1,732,860,104</b>	<b>1,838,249,556</b>	<b>1,943,222,110</b>	<b>1,987,394,879</b>	<b>1,987,481,703</b>	<b>2,028,209,557</b>	<b>2,144,233,987</b>	<b>13,661,651,898</b>

\* note: The "base" amount in FY 06/07 (\$1.6 billion) is the actual base amount from SCO website

\*\* note: These are the actual statewide caseload growth amounts, per CDSS and SCO

#### IN REALITY

- \* The flow of realignment revenue (sales tax and VLF) is based on the economy and not tied directly to costs
- \* Realignment has not worked over the past years and has forced counties to manage to available resources
- \* The data demonstrates that it can take over five years to receive owed caseload growth
- \* Even when caseload growth is paid, there is no "re-payment" for the years it was owed but not paid
- \* The FY 12/13 base amount is still less than the FY 06/07 Realignment

STATE	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11*	FY 11/12**	FY 12/13***	Total
Base	1,638,646,354	1,629,011,635	1,420,042,920	1,365,852,335	1,365,852,335	1,475,796,532	1,724,575,703	10,619,777,813
growth for 06/07	17,138,152				74,405,185			91,543,337
growth for 07/08					39,480,983	65,908,469		105,389,452
growth for 08/09						104,972,554		104,972,554
growth for 09/10						44,172,769		44,172,769
growth for 10/11						86,824		86,824
growth for 11/12							7,089,299	40,727,854
growth for 12/13								102,275,815
growth (general)	2,670,413						13,748,615	16,419,028
<b>Total</b>	<b>1,658,454,920</b>	<b>1,629,011,635</b>	<b>1,420,042,920</b>	<b>1,365,852,335</b>	<b>1,479,738,503</b>	<b>1,724,575,703</b>	<b>1,847,689,432</b>	<b>11,125,365,446</b>
Base compared to 06/07		(29,443,285)	(238,412,000)	(292,602,584)	(178,716,417)	66,120,783	189,234,512	

The amounts listed are from the SCO website on 1991 Realignment: [http://www.sco.ca.gov/ard\\_payments\\_realign.html](http://www.sco.ca.gov/ard_payments_realign.html)

\*The growth payments listed as received for FY 10/11, were actually paid Sept 27, 2011 (in FY 11/12)

\*\*The growth payments listed as received for FY 11/12, were actually paid 10/18/2012 (FY 12/13)

\*\*\*The growth payments listed as received for FY 12/13, were actually paid 11/22/2013 (FY 13/14)

#### VARIANCE BETWEEN THEORY AND REALITY

STATE	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	Total
Base loss/gain	0	(103,848,470)	(418,206,636)	(577,369,775)	(621,542,544)	(511,685,172)	(303,633,855)	(2,536,286,452)
Growth	(74,405,185)	(105,389,452)	(104,972,554)	(44,172,769)	113,799,344	208,051,317	7,089,299	(0)
Variance	(74,405,185)	(209,237,922)	(523,179,190)	(621,542,544)	(507,743,200)	(303,633,855)	(296,544,556)	(2,536,286,452)

# Opportunities & Possibilities

- ◎ LOOK FOR THE INTERSECTIONS
- ◎ LOOK AT CURRENT PROGRAMS
- ◎ Possibility?: SB-163 Wrap-Around Services
- ◎ Possibility?: Katie A.
- ◎ Possibility?: Preventative Services



# Opportunities with Realignment Funding



- ◉ Flexibility varies by County based on Accounting Structure
- ◉ Deferred revenue may allow for multi-year planning
- ◉ Sales tax dollars provide opportunities for non-fed match for the realigned programs

# Opportunities within the County Expense Claim (CEC)

- ◎ **Access to Open-ended Federal Funding**
  - › Health-Related Title XIX for CSBG, IHSS, CWS
  - › Title IV-E for CWS, FC
  - › Examples: Public Health Nurses and/or Mental Health Clinicians in Adult/Children's Services
  
- ◎ **Internal Braiding**
  - › Linkages supported by CWS and/or CalWORKs

# Braided & Leveraging Funding

- ◎ Partnership to combine resources with other entities
  - > “local match” to access Federal/State program funds
  - > provide a specific service or serve a specific customer population
- ◎ Federal Funding Matrix- Allowable Usage of Local Match Funds



# **WORKING EXAMPLES FROM YOUR SOCIAL SERVICES COUNTERPARTS**

# GUEST SPEAKERS

- ◎ **Monica Bentley**
  - › **Fiscal Manager**  
Riverside County - DPSS
- ◎ **Amy Thompson**
  - › **Assistant Finance Director**  
San Diego County - HHS
- ◎ **Terry Concellos**
  - › **Deputy Director**  
Santa Barbara County - DSS

# Enhancing Program Resources to Benefit Service Outcomes

## CWDA - learn from each other about Creative Program Financing

- › County Expense Claim (CEC)
  - › Realignment Funding
  - › Braided Funding Partnerships
  - › Leveraging Public/Private Funds
- ⦿ Best Model = County's unique needs
  - ⦿ Creative Financial Models can be shared, improved and changed to support individual County goals