SOCIAL SERVICES
FISCAL ESSENTIALS 101

BY
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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 pools
  - 1991 Realignment
  - 2011 Realignment
Chart of Fiscal Years

<table>
<thead>
<tr>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
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<tbody>
<tr>
<td>COUNTY</td>
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<td>REALIGNMENT</td>
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<td>FEDERAL</td>
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</table>
# Sharing Ratios

## Human Services Funding

### Program Sharing Ratios

(as of July 1, 2013)

<table>
<thead>
<tr>
<th>SERVICES</th>
<th>Federal</th>
<th>State</th>
<th>Realignment 2011</th>
<th>County Share Post 1991 Realignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>CWS</td>
<td>50% Eligible costs, Title IV-E</td>
<td></td>
<td>70% NF Share</td>
<td>30% NF Share</td>
</tr>
<tr>
<td></td>
<td>75% SPMP, Title XIX</td>
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<td></td>
<td>50% HR, Title XIX</td>
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<td></td>
<td>75% Title IV-B</td>
<td></td>
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<tr>
<td>IHSS Admin</td>
<td>75% SPMP, Title XIX</td>
<td>State Share varies depending on MOE</td>
<td></td>
<td>MOE</td>
</tr>
<tr>
<td></td>
<td>50% HR, Title XIX</td>
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<tr>
<td>CSBG/APS</td>
<td>75% SPMP, Title XIX</td>
<td></td>
<td>70% NF Share</td>
<td>MOE</td>
</tr>
<tr>
<td></td>
<td>50% HR, Title XIX</td>
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</tr>
<tr>
<td>Licensing</td>
<td>50% Eligible costs, Title IV-E</td>
<td>100% NF Share</td>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Adoptions</td>
<td>50% Eligible costs, Title IV-E</td>
<td></td>
<td>100% NF Share</td>
<td>None</td>
</tr>
<tr>
<td>PSSF</td>
<td>100%</td>
<td>None</td>
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<td>None</td>
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<tr>
<td>CAPIT</td>
<td>None</td>
<td></td>
<td>100% Realigned</td>
<td>None</td>
</tr>
<tr>
<td>State Family</td>
<td>50% Eligible costs, Title IV-E</td>
<td>70% NF Share</td>
<td></td>
<td>30% NF Share</td>
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<tr>
<td>Preservation</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Training</td>
<td>75% Title IV-E</td>
<td></td>
<td>70% NF Share</td>
<td>30% NF Share</td>
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</tbody>
</table>
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)
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.
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.*
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

### Table: Allocation Matrix

<table>
<thead>
<tr>
<th>Allocation Categories</th>
<th>Specific Allocation</th>
<th>Methodology of Calculation</th>
<th>Allocations</th>
<th>Estimates</th>
<th>Data Collection Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare Allocations</td>
<td>Foster Parent Training and Recruitment</td>
<td>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. Recruitment funds are allocated based on average monthly number of children in out-of-home placement, excluding probation.</td>
<td>Use CNS/CMS data as reported by counties.</td>
<td>Adjusted for Title IV-E waiver counties.</td>
<td>Adjusted for Title IV-E waiver counties issued separately.</td>
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<tr>
<td>2) Independent Living Program</td>
<td>Independent Living Program</td>
<td>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.</td>
<td>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.</td>
<td>Subject to Federal grant appropriation.</td>
<td>General fund portion is frozen.</td>
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<tr>
<td>3) Supportive and Therapeutic Program (STOP)</td>
<td>Supportive and Therapeutic Program (STOP)</td>
<td>County allocations are based on 06-07 levels. 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.</td>
<td>Same as Allocations</td>
<td>Same as Allocations</td>
<td>Same as Allocations</td>
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<tr>
<td>4) State Family Preservation Permanent Transfer</td>
<td>State Family Preservation Permanent Transfer</td>
<td>Counties are required to match the funds at the nonfederal-sharing ratio of the 70% State and 30% County. County specific allocations calculated by Estimates branch and distributed via CFL by CFAR.</td>
<td>Same as Estimates. Only 15 counties participating at or Fiscal Year 07-08.</td>
<td>This allocation is distributed to counties that submit an annual plan to the state.</td>
<td>No data collected.</td>
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<tr>
<td>5) Adoptions Program Basic Costs</td>
<td>Adoptions Program Basic Costs</td>
<td>The Adoptions Program allocation is based on county specific unit cost calculation from FY 05/06, which was multiplied by each county’s performance agreement full-time equivalents to determine each county’s individual allocation. Outcomes allocation was distributed based on each county’s percent to total Adoptions Program Basic allocation.</td>
<td>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.</td>
<td>County Specific</td>
<td>County Specific</td>
</tr>
</tbody>
</table>

### Footer

Fiscal Year 07-08
Allocation Matrix
1 of 20
8/5/2008
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

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>CalWORKs Aid Payments</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>CalWORKs Eligibility</td>
<td>50%</td>
<td>30%</td>
</tr>
<tr>
<td>Foster Care</td>
<td>5%</td>
<td>60%</td>
</tr>
<tr>
<td>Child Welfare Services</td>
<td>24%</td>
<td>30%</td>
</tr>
<tr>
<td>Adoptions Assistance</td>
<td>0%</td>
<td>25%</td>
</tr>
<tr>
<td>CalWORKs Employment Services</td>
<td>0%</td>
<td>30%</td>
</tr>
<tr>
<td>In-Home Supportive Services</td>
<td>3%</td>
<td>35%</td>
</tr>
<tr>
<td>County Services Block Grant</td>
<td>16%</td>
<td>30% total</td>
</tr>
<tr>
<td>California Children’s Services</td>
<td>25%</td>
<td>50% total</td>
</tr>
</tbody>
</table>
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

Sales Tax/VLF
Source: ½ cent Sales Tax; Source: 74.9% Vehicle License Fees

Sales Tax/VLF Base Account

Mental Health Subaccount
($1.12 billion base funding from 2011 Realignment)

CalWORKs MOE
(capped at $1.12 billion)

Social Services Subaccount

Sales Tax/CalWORKs MOE Subaccount

Health Subaccount

CMSP
(Base Account)

Health Subaccount

CMSP
(Caseload Subaccount)

CMSP Growth
(2nd call on Growth; 4.027% plus 4.027% of caseload growth paid if over $20M)

General Growth
(remaining Growth)

Mental Health
(approx. 40%)

Health
(approx. 52%)

Social Services
(approx. 8%)

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

Pre AB-85
1991 REALIGNMENT STRUCTURE - STATE
SALES TAX/VLF DISTRIBUTIONS

Sales Tax/VLF
Source: ½ cent Sales Tax; Source: 74.9% Vehicle License Fees

Sales Tax/VLF Base Account

Mental Health Subaccount
($1.12 billion base funding from 2011 Realignment)

Social Services Subaccount

Health Subaccount

CMSP Subaccount
(Base Account)

Sales Tax/VLF Growth Account
(Revenues in Excess of Base Payments)

Child Poverty and Family Supplemental Support Subaccount
(Base is $0 in 2013-14)

Sales Tax - Family Support Subaccount
($300 M in 2013-14)

CMSP (County Shares)

CMSP Growth
(2nd call on Growth; 4.027% plus 4.027% of caseload growth paid if over $20M)

General Growth
(remaining Growth)

County Allocations

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

Sales Tax/Caseload Subaccount
(1st call on Growth)

Mental Health
(approx. 40%)

Health
(approx. 18.45%)

Child Poverty & Family Supplemental Support (remaining growth)
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
State Structure for Support Services for FY 2013-14

Local Revenue Fund 2011
$6,377,624,000

Support Services Account
$2,829,353,586

- Protective Services Subaccount
  (63% or up to capped allocation)
  $1,836,990,532

- Behavioral Health Subaccount
  (37% or up to capped allocation)
  $992,363,053
  - Women and Children’s Residential Treatment Special Account
    (subset of BH Subaccount)
    $5,104,000

- County Intervention Support Services Subaccount

Sales and Use Tax Growth Account
(Excess revenues above base allocations)
$278,811,530

Support Services Growth Subaccount
(65%)
$181,227,494

- Protective Services Growth Special Account
  (40% for CWS and 22% general)
  $112,016,714

- Behavioral Health Services Growth Special Account
  (33%)
  $60,149,405

- Mental Health Subaccount
  (5%)
  $9,061,375

* Growth amounts are estimates
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)

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

Shared

- Foster Care
- CWS
- Adoptions
- Mental Health
- EPSDT
- Managed Care
Things to Consider

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

“1991 Realignment Social Services (Sales Tax and VLF) – 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.

<table>
<thead>
<tr>
<th>STATE</th>
<th>FY 06/07</th>
<th>FY 07/08</th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11</th>
<th>FY 11/12</th>
<th>FY 12/13</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,732,860,104</td>
<td>1,838,249,556</td>
<td>1,943,222,110</td>
<td>1,987,394,879</td>
<td>1,987,481,703</td>
<td>2,028,209,557</td>
<td>2,144,233,987</td>
</tr>
</tbody>
</table>

*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

<table>
<thead>
<tr>
<th>STATE</th>
<th>FY 06/07</th>
<th>FY 07/08</th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11**</th>
<th>FY 11/12***</th>
<th>FY 12/13***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1,658,454,320</td>
<td>1,629,011,635</td>
<td>1,420,042,920</td>
<td>1,365,852,335</td>
<td>1,475,796,532</td>
<td>1,724,575,703</td>
<td>10,619,777,313</td>
</tr>
</tbody>
</table>

The amounts listed are from the SCO website on 1991 Realignment: [http://www.sco.ca.gov/ord_payments_realignment.html](http://www.sco.ca.gov/ord_payments_realignment.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 Oct 10/12 (FY 12/13)
***The growth payments listed as received for FY 12/13, were actually paid Nov 11/22 (FY 13/14)

VARIANCE BETWEEN THEORY AND REALITY

<table>
<thead>
<tr>
<th>STATE</th>
<th>FY 06/07</th>
<th>FY 07/08</th>
<th>FY 08/09</th>
<th>FY 09/10</th>
<th>FY 10/11**</th>
<th>FY 11/12***</th>
<th>FY 12/13***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base loss/gain</td>
<td>0</td>
<td>(103,848,470)</td>
<td>(418,206,636)</td>
<td>(577,369,775)</td>
<td>(621,542,544)</td>
<td>(511,685,172)</td>
<td>(303,633,855)</td>
</tr>
<tr>
<td>Growth</td>
<td>(74,405,185)</td>
<td>(105,389,452)</td>
<td>(104,972,554)</td>
<td>(44,172,769)</td>
<td>113,799,344</td>
<td>208,051,317</td>
<td>7,089,299</td>
</tr>
<tr>
<td>Variance</td>
<td>(74,405,185)</td>
<td>(209,237,922)</td>
<td>(523,179,190)</td>
<td>(622,542,544)</td>
<td>(507,748,200)</td>
<td>(303,633,855)</td>
<td>(296,544,556)</td>
</tr>
</tbody>
</table>
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