

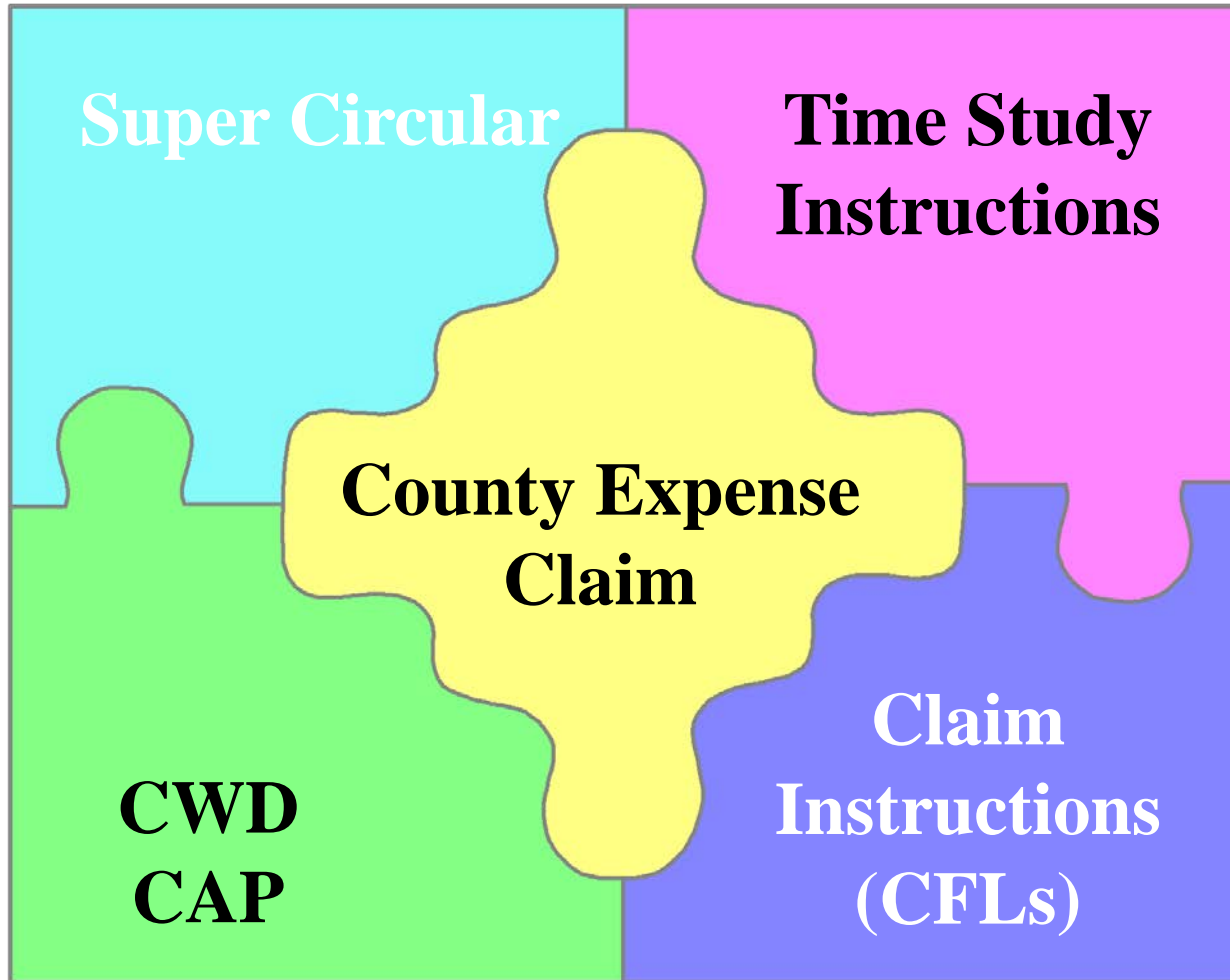
Social Services

Fiscal Essentials 102

Social Service Fiscal Essentials 102

- ▶ Now that you know all about funding and revenue streams (Fiscal Essentials 101)....
- ▶ Now What?
- ▶ How do you draw down funding, what costs are applied against it and how can you anticipate utilization of these funds?
- ▶ What rules do you have to follow?

Fiscal Regulations



Reimbursement of Expenditures

- ▶ The CEC is the main document the state uses to authorize federal and state funds be paid to counties (Admin programs)
- ▶ Funding is to reimburse Counties for Costs Paid (Cash Basis)
- ▶ Advances are based on estimates made by the state, usually based on past history of spending.

Classification of Costs Charged Against Funding

- ▶ Salary & Benefit Costs
- ▶ Allocable Operating Costs (Non Labor)
- ▶ IT Costs
- ▶ Staff Development Costs
- ▶ Direct
- ▶ Cost Shifts

Salary and Benefit Costs

There are two basic types of Salary Costs

- Caseworker Costs
- Support Staff Costs

Caseworker Staff Costs

WHAT ARE CASEWORKER COSTS?

Salaries and benefits of:

- First Line Supervisors
- Social Workers
- Eligibility Determination Workers
- Employment Services Workers

(Excludes Overtime)

Caseworker Staff Costs (Cont'd)

Caseworker Salary Costs are Grouped in Salary Pools

- Social Workers
- Eligibility Workers
- Employment Service Workers
- These costs are combined via the County's payroll and accounting systems

Caseworker Staff Costs (Cont'd)

What does this Mean?

Caseworker Salary Costs are Grouped in Salary Pools

- The Average Cost of Workers in Each Salary Pool is charged against the appropriate program/funding source

Important when developing Grant Proposals

Caseworker Staff Costs (Cont'd)

Example

The following staff time study to the below programs

	Cost
100 SW in CWS @ \$100,000yr	\$10,000,000
20 SW Sups in CWS @ \$150,000yr	\$ 3,000,000
75 SW in APS @ \$75,000yr	\$ 5,625,000
10 SW Sups in APS @ \$90,000yr	\$ 900,000
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	\$19,525,000

Caseworker Staff Costs (Cont'd)

If the cost of staff were directly charged against programs, the following would be true.

	Cost
CWS: \$10,000,000 + \$3,000,000	\$13,000,000

Or a per FTE cost	
\$13,000,000/120	\$ 108,333

APS: \$5,625,000 + \$900,000	\$ 6,525,000
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Or a per FTE cost	
\$6,525,000/85	\$ 76,765

Caseworker Staff Costs (Cont'd)

However, CWD's use a salary pool methodology

Total Salary Costs

\$19,525,000

Per Program Ratio:

CWS: $120/205 = .585365854$

APS $85/205 = .414634146$

CWS: \$19,525,000 * .585365854

\$11,429,268

Or a per FTE cost

$\$11,429,268/120$

\$ 95,244

APS: \$19,525,000* .414634146

\$ 8,095,732

Or a per FTE cost

$\$8,095,732/85$

\$ 95,244

Support staff

- Their costs are pooled in the same way as Caseworkers
- They are allocated as part of program overhead

Support Staff Costs

Support Salary Costs are Grouped in Salary Pools

- **Admin Support**
- **Program Support**
- **Clerical Support**

The Cost Allocation plan and Support Staff Time Report Plan defines the methodology to allocate Support Staff to Program

Support Staff Costs

Support Salary Costs are Grouped in Salary Pools

- The Average Cost of Support Staff in Each Salary Pool is charged against the appropriate program/funding source depending on line worker time study results.

Cost Allocation Concept

Now that you understand how we calculate the claimable cost per worker

It is time to allocate these staff costs to programs!

Cost Allocation Concept (Cont'd)

Time Study Hours are used to

- Spread caseworker pooled costs,
- Allocate most support staff costs to Programs,
- Spread most overhead costs to programs

Support Staff Costs (Cont'd)

- Most Common:
- Support Staff are required to report their time to either:
 - Generic Support
 - Functional Support
 - Directly to a Specific Program (Only when there are no line workers)

Cost Allocation Concept (Cont'd)

- The CEC uses time study results reported by line staff as the basis for distributing costs to function, program and activities
- Function: This term refers to each of the major program areas performed by the Department
- Program: This term refers to the broad classification under which an activity is grouped.

Cost Allocation Concept (Cont'd)

Functions:

Programs:

CalWorks	Other Public Assistance	Social Services	Childcare	Non Welfare
CalWorks Elig	Food Stamps	CWS	Stage One	
WTW	Medi-Cal	APS		
Cal-Learn	GR	IHSS Admin		
	Foster Care Elig	Adoption Elig		
		ILP		
		Licensing		

Cost allocation ratios (Cont'd)

- **Generic Support**
- Staff Support all programs
 - Are first allocated to Function using the Function Ratio
 - Then to Program using the Program Ratio

Cost allocation ratios (Cont'd)

- **Functional Support**
- Staff Supporting only programs within one function**
- Use only use the program ratio calculated for the applicable function.

** Multi functional supports follow Generic Allocation Methodology

Cost allocation ratios

- **Function ratio:**

Time Study hours to all programs under a function

Total Time Study hours reported Department wide

- **Program Ratio**

Time Study hours to a program

Total Time Study hours for of all programs under a function

Support Staff Allocation

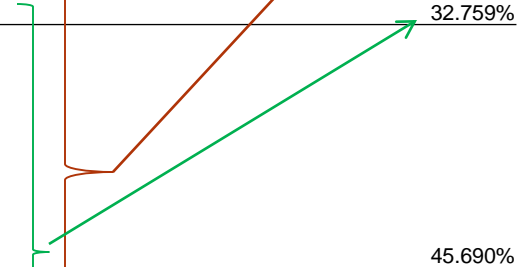
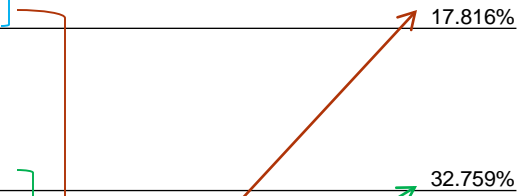
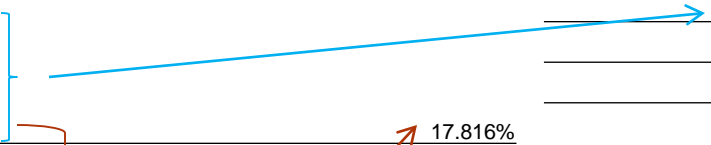
You have the following caseworker time study results:

Functional Ratios

Program Ratios

Function

Program	Timestudy Hours	Program Ratios
Social Service Function		
APS	10800	9.677%
CWS	97200	87.097%
Licensing	3600	3.226%
	111600	17.816%
CalWORKs Function		
CalWORKs Eligibility	95400	46.491%
WTW	109800	53.509%
	205200	32.759%
Other Public Assistance		
Food Stamps	45000	15.723%
Medi-Cal	208800	72.956%
General Relief	18000	6.289%
Foster Care Eligibility	14400	5.031%
	286200	45.690%
Child Care		
Stage 1	14400	2.299%
Non Welfare		
	9000	1.437%
Total Department Hours	626400	1.000
Approximate FTE's	348	



Support Staff Allocation-\$\$\$

- Your Program Support Personnel Salary Pool is \$5 million
- Your Support Staff time is reported as follows:

Calculate what it will cost FS, Medi, GR and FC Elig for Support Staff?

Function	Support Staff Hours	Ratio	Functional Cost	Case Worker Ratio	Generic Spread	Total Cost
Social Services	20,000	13.115%	\$655,750.00	17.816%	\$105,141.67	\$760,891.67
CalWorks	45,000	29.508%	\$1,475,400.00	32.759%	\$193,325.00	\$1,668,725.00
Other Pub Asst	65,000	42.623%	\$2,131,150.00	45.690%	\$269,637.50	\$2,400,787.50
Childcare	3,000	1.967%	\$98,350.00	2.299%	\$13,566.67	\$111,916.67
Non Welfare	1,500	0.984%	\$49,200.00	1.437%	\$8,479.17	\$57,679.17
Generic	18,000	11.803%	\$590,150.00	0.000%	(\$590,150.00)	\$0.00
	152,500	100.000%	\$5,000,000.00	100.000%	\$0.00	\$5,000,000.00

Cost of Support Staff Charged to Programs within OPA Function

	Ratio	Support Cost
Food Stamps	15.723%	\$377,482.31
Medi-Cal	72.956%	\$1,751,517.92
General Relief	6.289%	\$150,992.92
Foster Care Eligibility	5.031%	\$120,794.34
		\$2,400,787.50

In this example Medi picks up 33.3% (72.9% of 45.69%) of generic costs

Cost allocation ratios (Cont'd)

As Demonstrated both ratios play a big part in allocating costs to programs funding sources

How to Save Local funding by Adding Staff

- Fully Staff Programs that have no County Share and Adequate Funding may Decrease County Cost or Use of Realignment

Allocation of Costs Discussion:

Why should Managers and Executives understand the basics how overhead is spread to programs?

Other Operating Costs

Now that you
have this
methodology
down, the rest
is a piece of
cake!



Other Allocable Operating Costs

- Most Counties treat these costs as generic
- Costs are primarily operating costs, including other County departments, space, travel, supplies, fixed assets under \$25,000 etc.
- Allocate same as generic support staff costs

Other Allocable Operating Costs

- ▶ Counties can also elect to directly charge to specific programs if:
 - ▶ A formal election is made with the State
 - ▶ County can identify and compile related costs.
- ▶ Can apply methodology consistently across programs for specific type of expenditure

Fixed Assets

- Fixed assets must be depreciated and claimed over their useful life.
 - Furniture and Fixtures > \$25k
 - EDP Hardware and Software >\$5k

Direct Costs

Direct Costs are primarily those costs considered direct client services

- These costs are charged directly to the benefiting program.
 - Childcare
 - Job Club/Job Search
 - Assessments/Counseling
 - Direct Service Delivery
 - Etc.

Start-Up and One time Only Costs

- ▶ Start-up/nonrecurring costs are one-time only costs incurred as a result of major program change, an expansion of an existing program or a major agency or when a county receives an augmentation or one-time receipt of new funds for a program.
- ▶ These costs can be direct charged to benefitting programs.

Cost Shifts

**Last but not least-
Miscellaneous Cost Shifts**

Cost Shifts

- **Cost Shifts are built into our allocation methodology**
- **Examples:**
 - **Case Counts shift CWS costs from Federal to State**
 - **Case Counts shift CalWorks Intake to the Food Stamp allocation**
 - **Time Studying to Initial Eligibility is paid 1/3 CalWORKs, 1/3 FS and 1/3 Medi-Cal**

Cost Shifts

- It is very important that you anticipate these adjustments and monitor the changes in this data
 - They can significantly shift costs from a open ended or well funded program to a capped allocation

The Time Study



TIME IS MONEY

Supervisor/Manager Responsibilities

- Ensure training is conducted to fully inform staff of program changes and their impact on the time study.
- Make sure supervisors know they are a key figure in this process and in managing costs.
- Supervisors should carefully review the time studies of their staff, checking for accuracy.

Supervisor/Manager Responsibilities

- Always consider how staffing in one program effects costs in other programs
- The time study/RMS process drives the claim. All distributions of cost start with the time study.

Supervisor Responsibility

- Each supervisor MUST thoroughly review time study results.
- Staff should NEVER be asked to change a time study result, unless there is an obvious error that the worker agrees is erroneous.
- Time Study results should tie to Payroll information

General Guidelines

- Travel time goes to the program for which it is associated.
- Break time goes to the last program worked.
- Training time goes to the associated program.

General guidelines

- Conference/staff meeting time is recorded to the associated program.
- Supervisors spending direct time on casework may direct charge their time, otherwise it is allocated.

General guidelines

- Use generic code sparingly
- Salary pool costs associated with Non allocable and generic codes are spread to other programs. This will have an effect on your program as well as others.

Social Services Fiscal Essentials 102

Questions/Comments