



# Fiscal Essentials 101

Presenters:

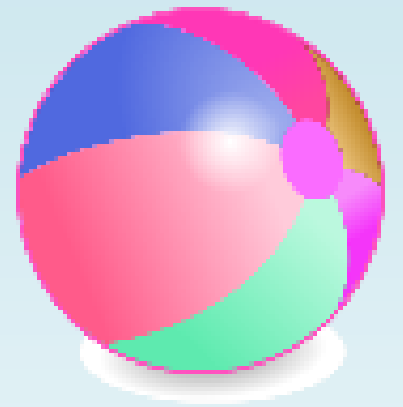
Monica L Bentley – Riverside County

Cherlyn Davis – Sacramento County

Maria Lucia Gonzales – Stanislaus County

# AGENDA

- **The Basics**
  - Revenue
  - Allocation Methodologies
- **Realignment**
  - 1991
  - 2011



# The Basics



# Funding / Revenue Components

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



# Federal Budget

- **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.**

# Federal Funding

- The Federal budget delineates how much each state will receive.
- Federal funds require a match.
  - Match is usually required to be non-Fed.
- Federal funding is usually open ended.



# 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 inform counties on how much they will receive.**

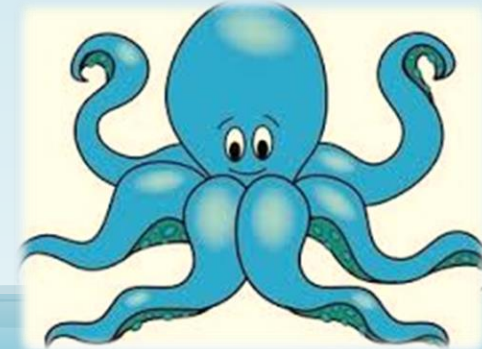
Can I spend Federal money first without  
spending state or local funds?



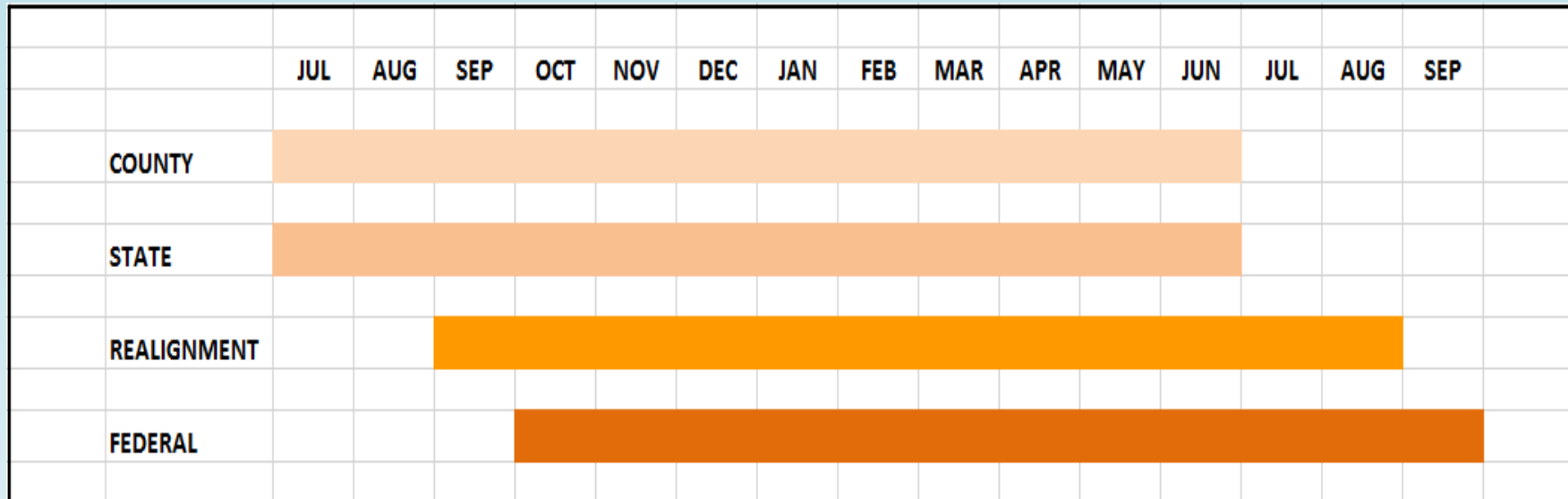


# Realignment Funding

- **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



# Maintenance of Effort (MOE)

- **An 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.**



# Allocation Development

- **Each Allocation uses a prescribed methodology to develop county specific amounts.**
- **Usually outlined in Allocation Letter.**
- **Outlined in Annual Allocation Matrix developed by the CWDA FAAD's workgroup.**



# What does MOE stand for?



# Allocation Matrix Produced by CWDA

ALLOCATION MATRIX					
ALLOCATION CATEGORIES	SPECIFIC ALLOCATION	METHODOLOGY OF CALCULATION	ALLOCATIONS	DATA SOURCE(S) ESTIMATES	DATA COLLECTION PERIODS
Welfare Allocations	1) Foster Parent Training and Recruitment 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) Independent Living Program 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) Supportive and Therapeutic Program (STOP) CFL 07/08-06	<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) State Family Preservation Permanent Transfer 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) Adoptions Program Basic Costs 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>	
Fiscal Year 07-08 Allocation Matrix		1 of 20		8/5/2008	

# Realignment





# 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**



# 1991 Realignment Programs

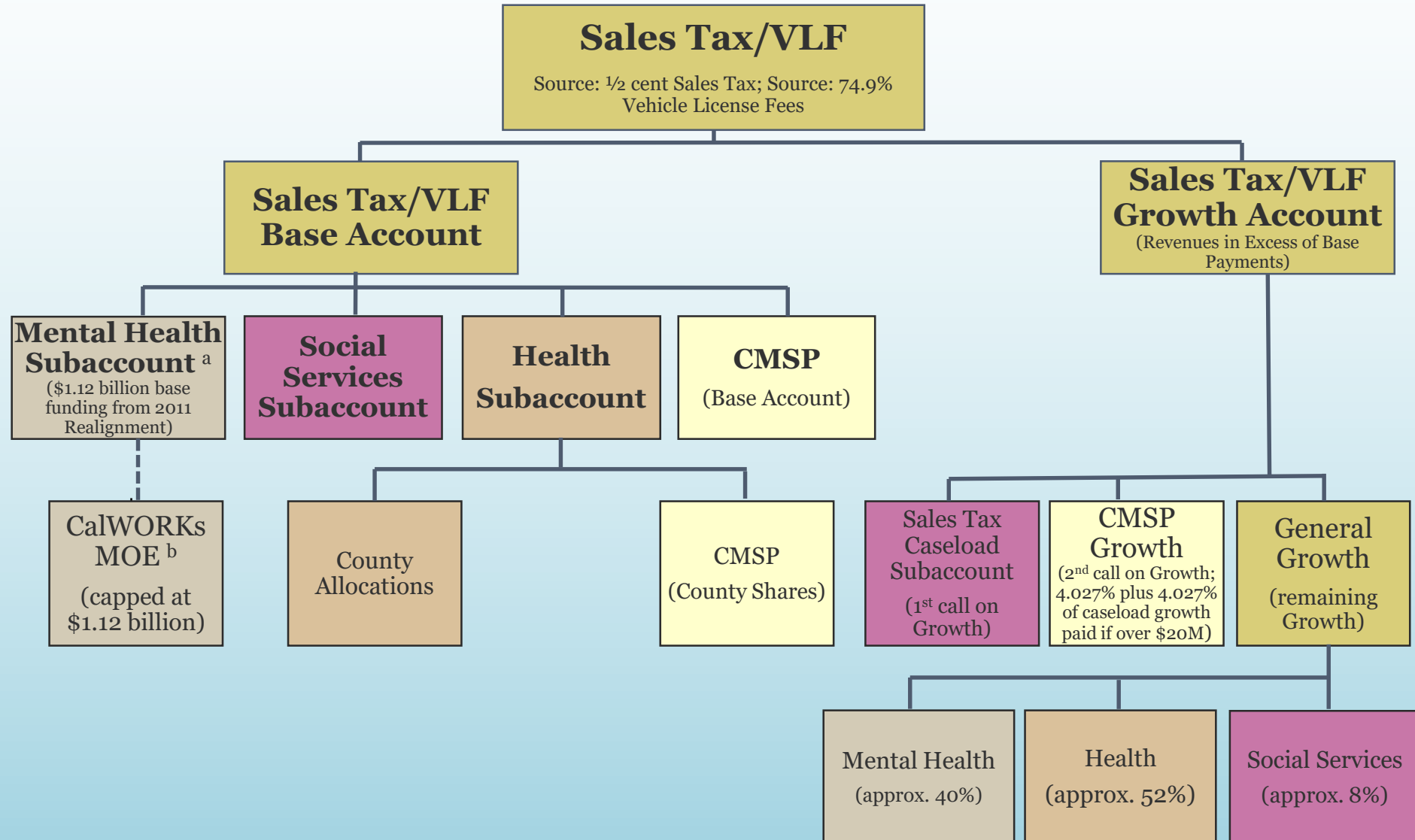
- AB 8 County Health Services
- Local Health Services
- California Children's Services
- Indigent Health
- CalWORKs
- Employment Services
- County Services Block Grant
- In-Home Supportive Services
- Foster Care
- CWS
- Adoptions
- County Stabilization Subvention
- County Juvenile Justice Subvention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

# 1991 REALIGNMENT STRUCTURE - STATE

## SALES TAX/VLF DISTRIBUTIONS



What funding is 1991 Realignment intended to cover?



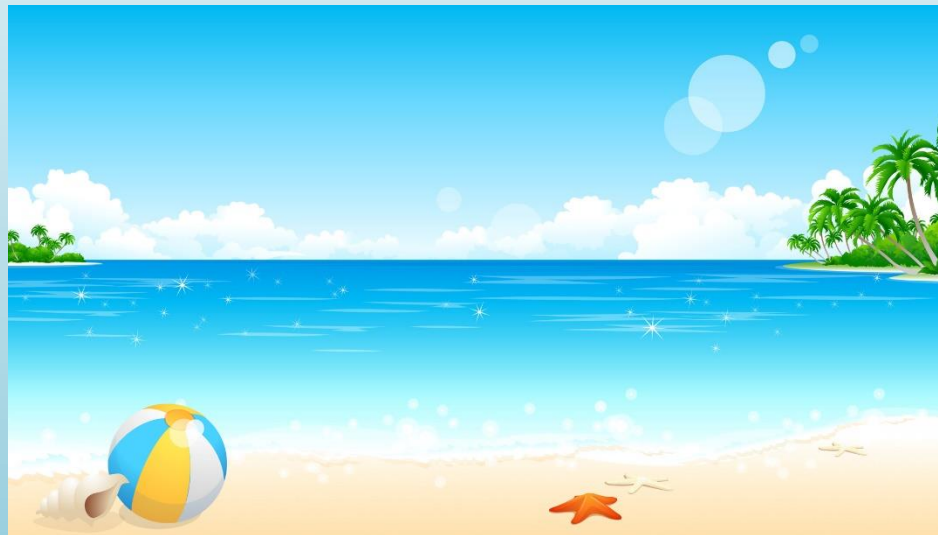
# Changes to 1991 Realignment

- **2011 Realignment**
- **Changed with AB85**
- **Changed again with SB90/AB130**



# 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**

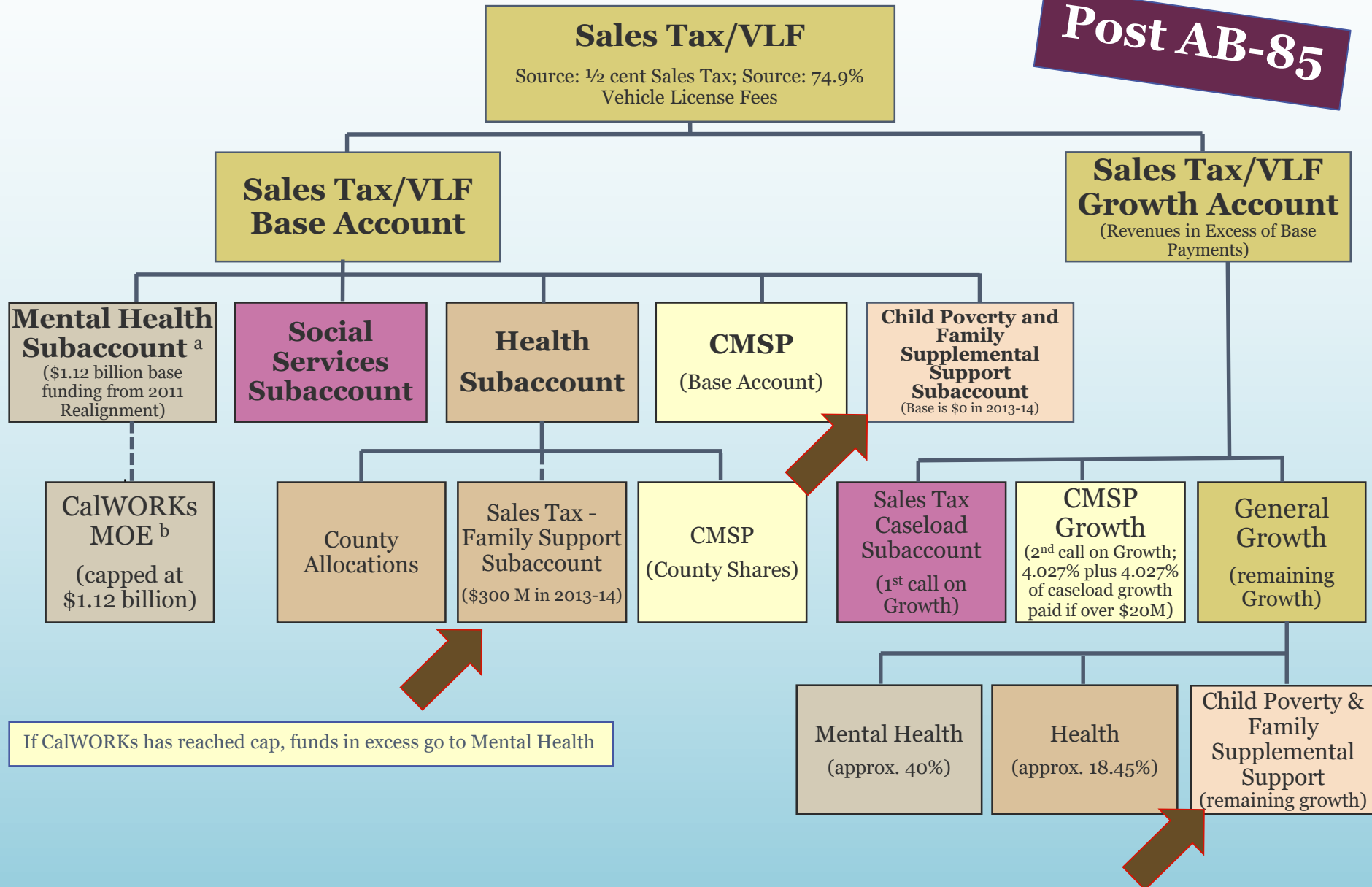




# 1991 REALIGNMENT STRUCTURE - STATE

## SALES TAX/VLF DISTRIBUTIONS

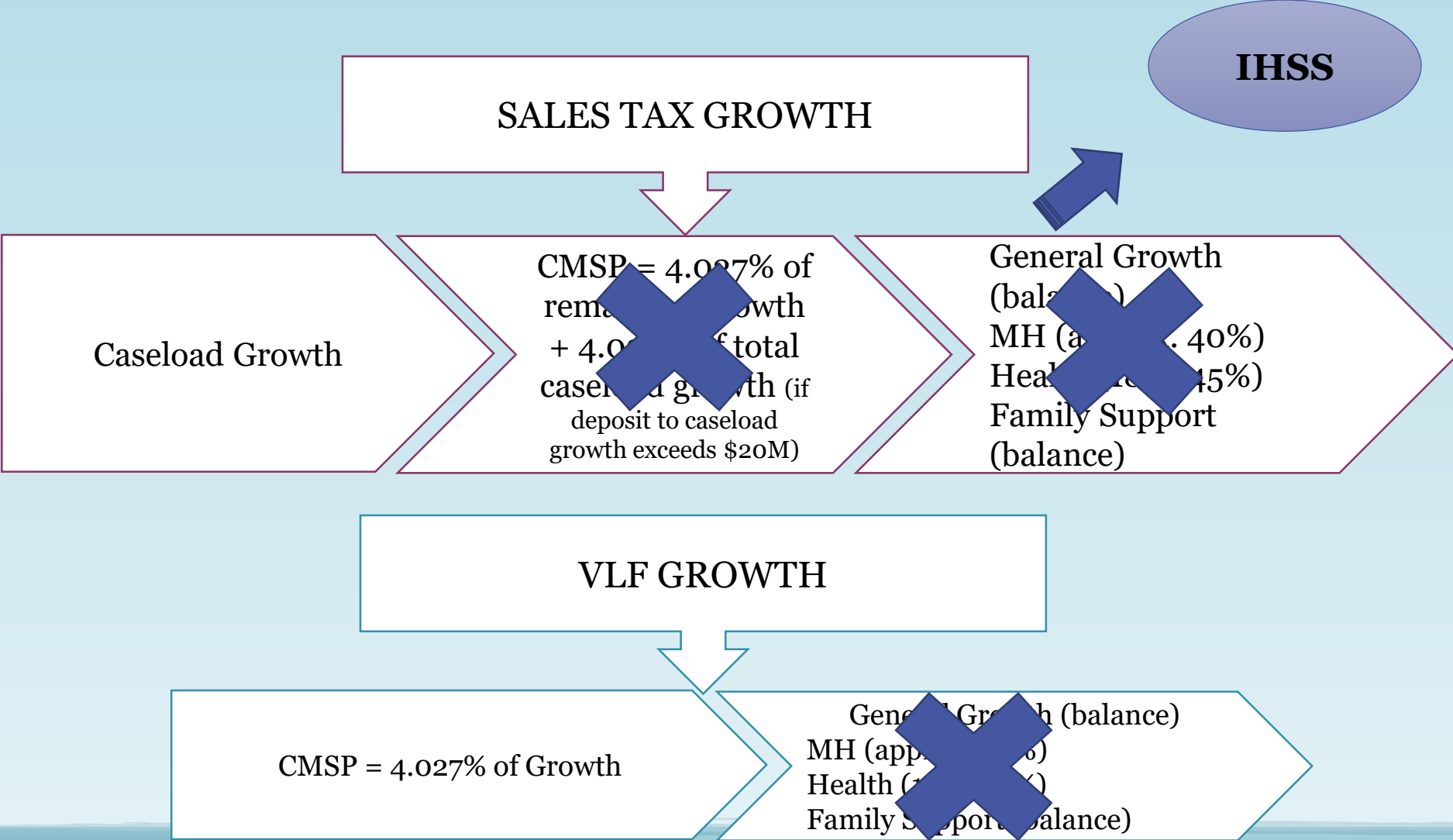
**Post AB-85**



# **SB 90 / AB 130 Impact**

- **100% of sales tax growth will go towards caseload growth for the foreseeable future**
- **Growth for IHSS caseload will be advanced prospectively and not after costs incurred (no two year wait)**
- **Final reconciliation for IHSS caseload growth in 2 years to capture bargaining and any other net unfunded costs**

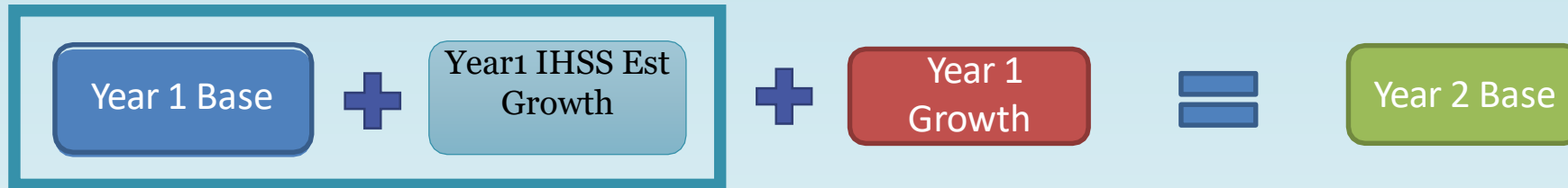
# 1991 Realignment Growth



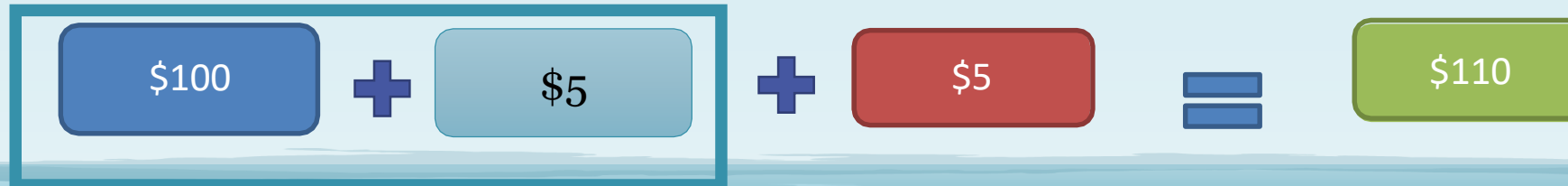
# 1991 Realignment “Rolling Base” Post SB 90 / AB 130

- “Rolling” Base:  $\text{Base funding} + \frac{\text{Y1 IHSS Est Growth}}{\text{Y1 IHSS Est Growth}} + \text{Growth funding} = \text{Next Fiscal Year's Base}$

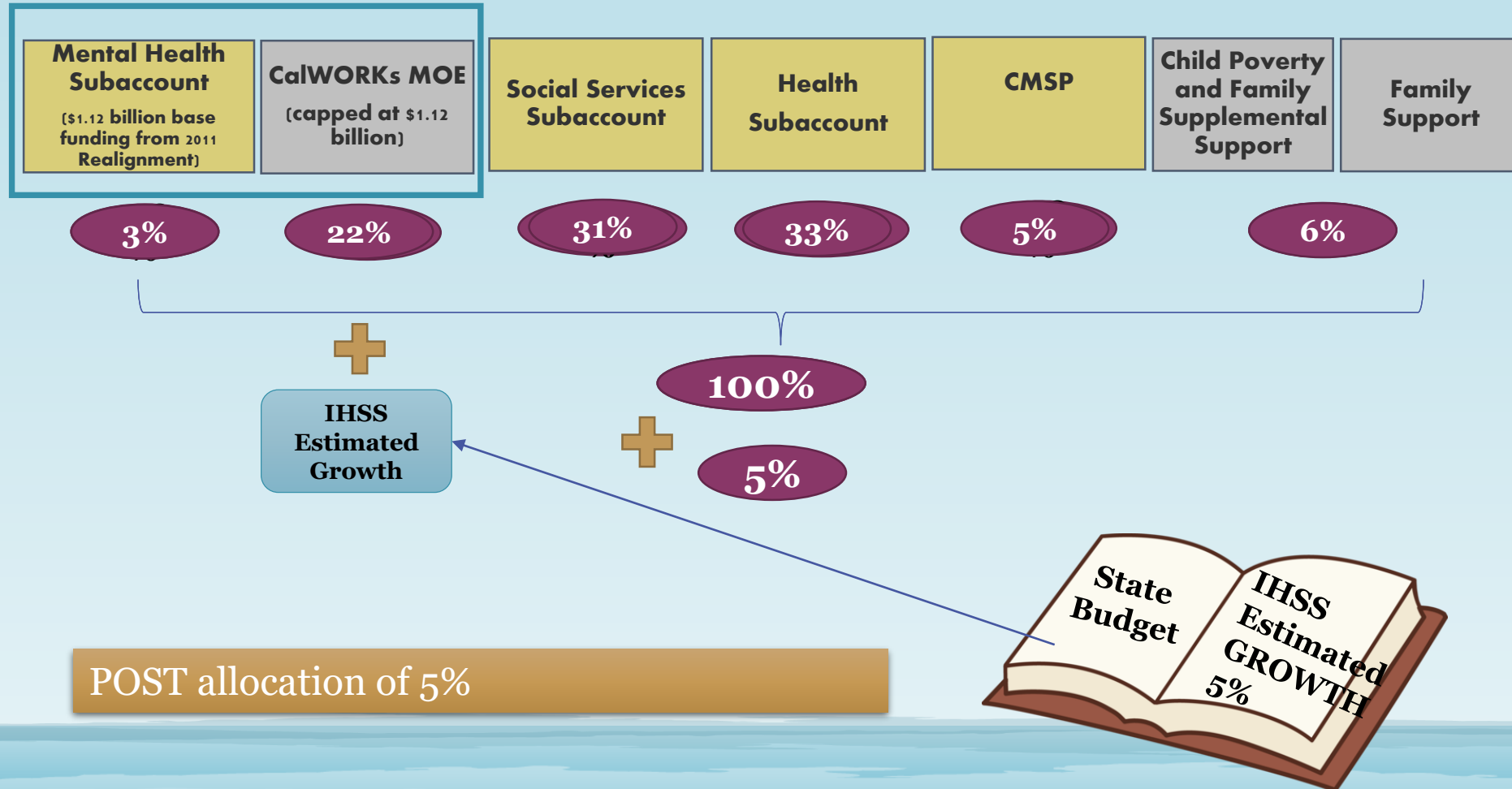
Base met, growth available



*Example*



# Accelerated Growth Post SB 90 / AB 130



# 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**



# Sharing Ratios

## HUMAN SERVICES FUNDING PROGRAM SHARING RATIOS (as of Sep 1, 2016)

SERVICES		FEDERAL	STATE	REALIGNMENT 2011	COUNTY SHARE POST 1991 REALIGNMENT
	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



Worksheet

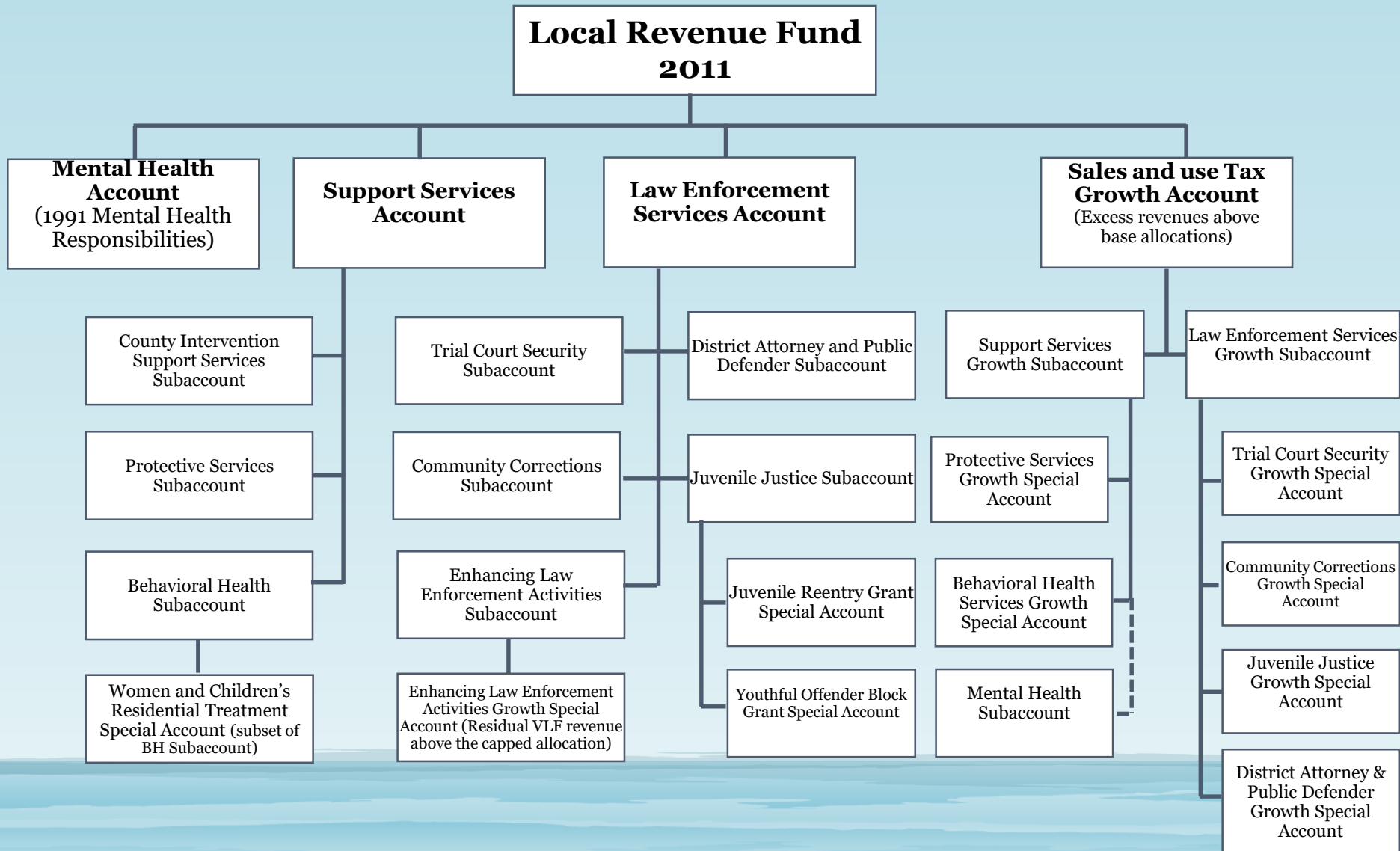
What funding source did 2011 Realignment replace?



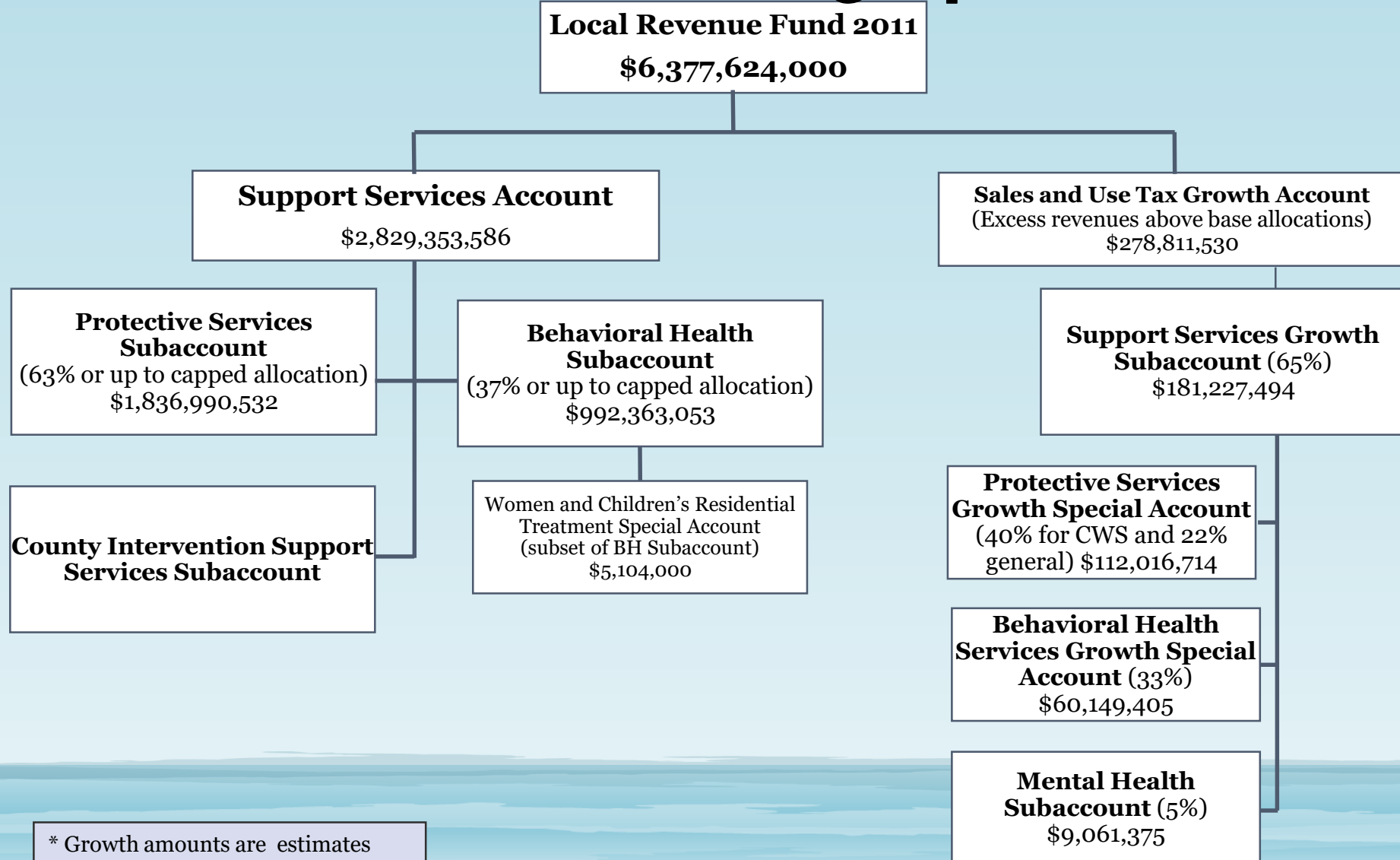


# Local Revenue Fund 2011

## State Structure

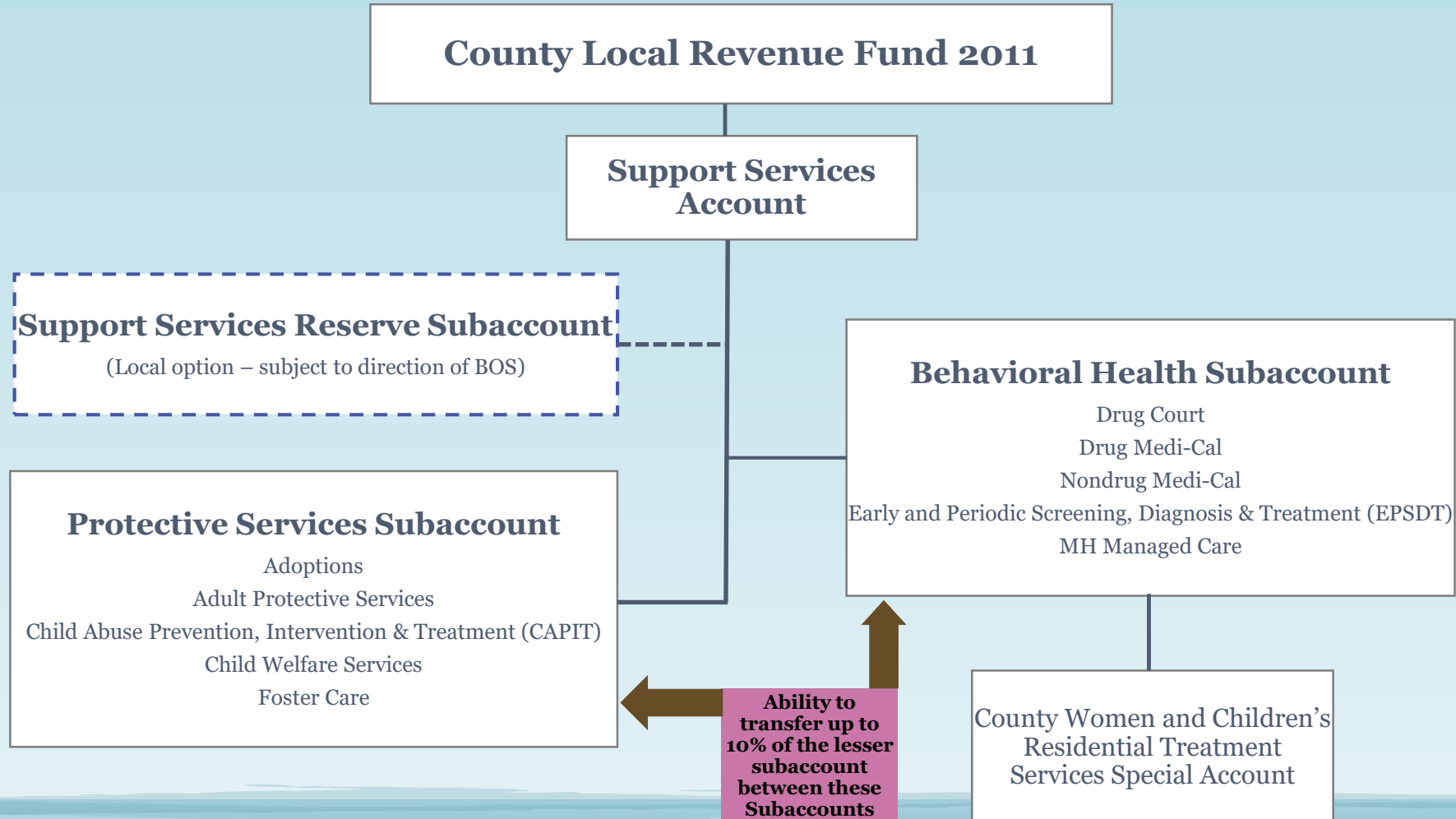


# State Structure for Supportive Services for FY 2013-14



# County Local Revenue Fund 2011

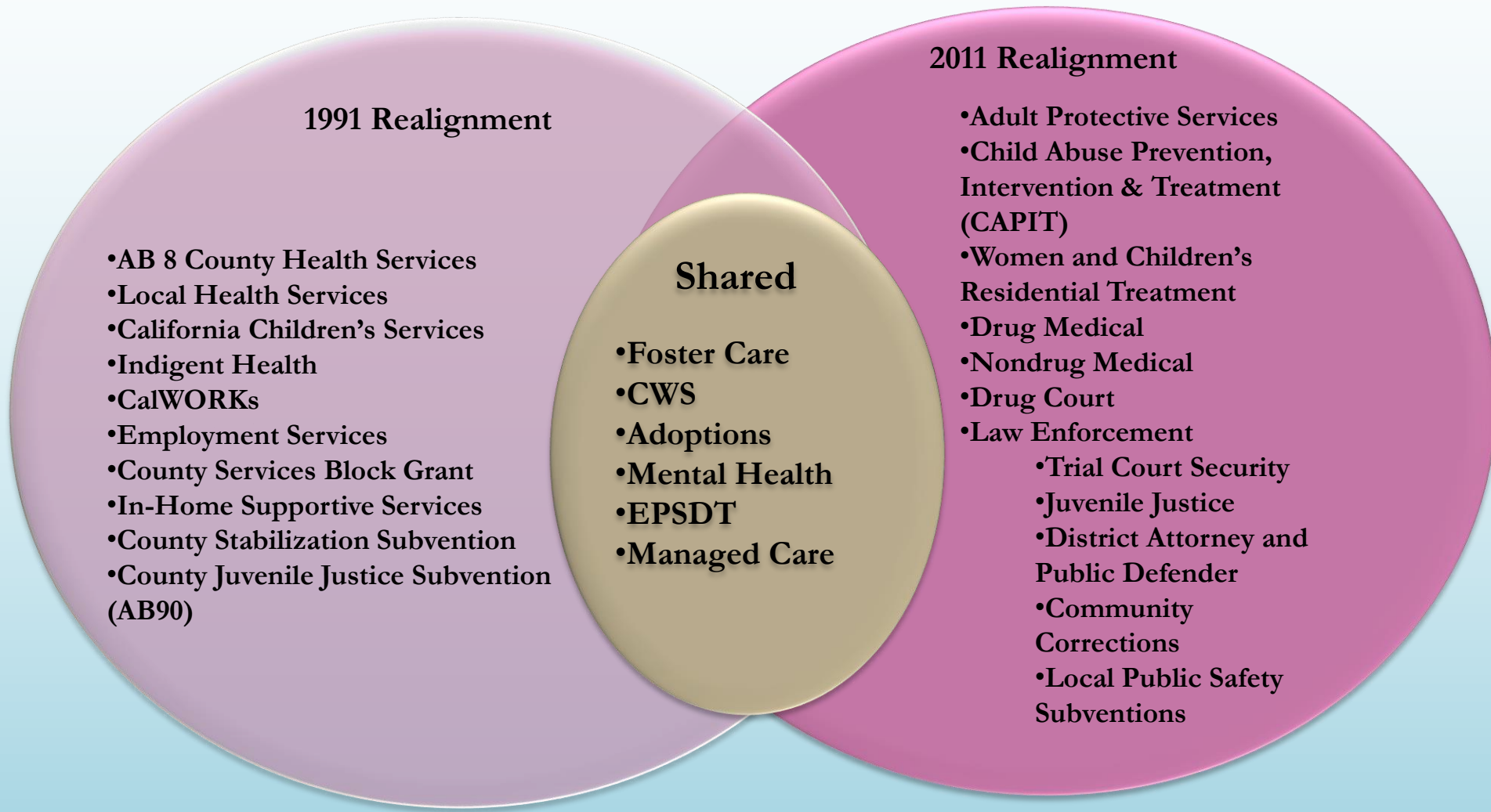
## Support Services



# 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



Which Realignment gets caseload growth?





**Thank You!**