Fiscal Essentials 101

Presenters:
Monica L Bentley – Riverside County
Cherlyn Davis – Sacramento County
Maria Lucia Gonzales – Sacramento County
Ardee Apostle – San Diego 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

<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>
<th>SEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>COUNTY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STATE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>REALIGNMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FEDERAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Color bars indicate percentage of budget allocation for various fiscal categories.
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

<table>
<thead>
<tr>
<th>Allocation Categories</th>
<th>Specific Allocation</th>
<th>Methodology of Calculation</th>
<th>Allocations</th>
<th>Data Source(s)</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 receive funding based on the number of children placed in foster homes.</td>
<td>Use CWDA/CMHC data as reported by counties.</td>
<td>Adjusted for Title IV–E waiver counties.</td>
<td>Pending</td>
<td>Calendar Year 2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>All county received less than prior year allocation.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Data Collection Period: Calendar Year 2006.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Independent Living Program (OCS-07-07)

1. Allocation is based on one-quarter of the revised FY 06 allocation plus three quarters of the actual FY 2005 grant base Funding for State Operations.
2. $40,000 minimum floor remains unchanged.

### Supportive and Therapeutic Program (OCS-07-08)

1. County allocations are based on 06-07 levels.
2. A minimum allocation of $5,582 is for participating counties.
3. County allocations are based on the projected FY 2008 annual cost per child for mental health services.

### State Family Preservation Permanent Transfer (OCS-07-08-16)

1. Counties are required to match the funds of the workforce sharing ratio of the 75% States and 25% County.
2. County-specific allocations are calculated by dividing the amount on OCS by 2.5.

### Adoption Program Basic Costs (OCS-07-08-27)

2. Outcome allocation was distributed based on each county’s percent to total Adoptions Program Basic allocation.
3. County performance agreement with FY 2006 for # of adoptions per worker per month.

Fiscal Year 07-08
Allocation Matrix
Realignement
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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</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>30%</td>
</tr>
<tr>
<td>County Services Block Grant</td>
<td>16%</td>
<td>35%</td>
</tr>
</tbody>
</table>
| California Children’s Services               | 25%                 | 50% total

**Share (non-Fed) totals:**
- **1991 Realignment Program Ratios**
  - New 1991 Share (non-Fed) 50% total
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 (Base Account)

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

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

CMSP Subaccount

CMSP Caseload Subaccount
(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%)
Realignment “Rolling” Base Funding

Base met, growth available

- Year 1 Base + Year 1 Growth = Year 2 Base
- Example: $100 + $10 = $110

Base not met, growth unavailable

- Year 1 Base → Actual Sales Tax comes in lower than base → Year 2 Base
- Example: $100 → $90 → $90
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
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)

<table>
<thead>
<tr>
<th>Services</th>
<th>Federal</th>
<th>State</th>
<th>Realignment 2011</th>
<th>County Share Post 1991</th>
<th>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>
<td></td>
</tr>
<tr>
<td></td>
<td>75% SPMP, Title XIX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>50% HR, Title XIX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>75% Title IV-B</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DHSS Admin</td>
<td>75% SPMP, Title XIX</td>
<td>State Share varies depending on MOE</td>
<td></td>
<td>MOE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50% HR, Title XIX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSBG/APS</td>
<td>75% SPMP, Title XIX</td>
<td></td>
<td>70% NF Share</td>
<td>MOE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>50% HR, Title XIX</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Licensing</td>
<td>50% Eligible costs, Title IV-E</td>
<td>100% NF Share</td>
<td></td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>Adoptions</td>
<td>50% Eligible costs, Title IV-E</td>
<td></td>
<td>100% NF Share</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>PSSF</td>
<td>100%</td>
<td>None</td>
<td></td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>CAPIT</td>
<td>None</td>
<td></td>
<td></td>
<td>100% Realigned</td>
<td>None</td>
</tr>
<tr>
<td>State Family Preservation</td>
<td>50% Eligible costs, Title IV-E</td>
<td></td>
<td>70% NF Share</td>
<td>30% NF Share</td>
<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>
<td></td>
</tr>
</tbody>
</table>
What funding source did 2011 Realignment replace?
Local Revenue Fund 2011

State Structure

Local Revenue Fund 2011

Mental Health Account
(1991 Mental Health Responsibilities)
- County Intervention Support Services Subaccount
- Protective Services Subaccount
- Behavioral Health Subaccount
- Women and Children’s Residential Treatment Special Account (subset of BH Subaccount)

Support Services Account
- Trial Court Security Subaccount
- Community Corrections Subaccount
- Enhancing Law Enforcement Activities Subaccount
- Enhancing Law Enforcement Activities Growth Special Account (Residual VLF revenue above the capped allocation)

Law Enforcement Services Account
- District Attorney and Public Defender Subaccount
- Juvenile Justice Subaccount
- Juvenile Reentry Grant Special Account
- Youthful Offender Block Grant Special Account
- Mental Health Subaccount

Sales and use Tax Growth Account
(Excess revenues above base allocations)
- Law Enforcement Services Growth Subaccount
- Support Services Growth Subaccount
- Protective Services Growth Special Account
- Juvenile Justice Growth Special Account
- Behavioral Health Services Growth Special Account
- District Attorney & Public Defender Growth Special Account
State Structure for Supportive Services

Local Revenue Fund 2011

- Support Services Account
  - Protective Services Subaccount
  - Behavioral Health Subaccount
    - Women and Children's Residential Treatment Special Account (subset of BH Subaccount)
  - County Intervention Support Services Subaccount
  - Sales and Use Tax Growth Account (Excess revenues above base allocations)
    - Support Services Growth Subaccount (65%)
      - Protective Services Growth Special Account (45%)
      - Behavioral Health Services Growth Special Account (50%)
      - Mental Health Subaccount (5%)
County Local Revenue Fund 2011
Support Services

Support Services Account

Support Services Reserve Subaccount
(Local option – subject to direction of BOS)

Behavioral Health Subaccount
- Drug Court
- Drug Medi-Cal
- Nondrug Medi-Cal
- Early and Periodic Screening, Diagnosis & Treatment (EPSDT)
- MH Managed Care

Protective Services Subaccount
- Adoptions
- Adult Protective Services
- Child Abuse Prevention, Intervention & Treatment (CAPIT)
- Child Welfare Services
- Foster Care

Ability to transfer up to 10% of the lesser subaccount between these subaccounts

County Women and Children’s Residential Treatment Services Special Account
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
Which Realignment gets caseload growth?
Thank You!