



Fiscal Essentials 102

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Agenda

- **Claims**
 - Assistance – CA 800
 - Administration – CEC
- **Claiming Regulations**
- **Allocated vs. Direct Charged**
- **Time Studies**
- **Case Counts**
- **Overspending Program Allocations**

Claims



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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, Realignment, and County General funds.**
- **IHSS is funded through Title XIX and moved to the new MOE model, making the State share vary.**



Assistance Claims



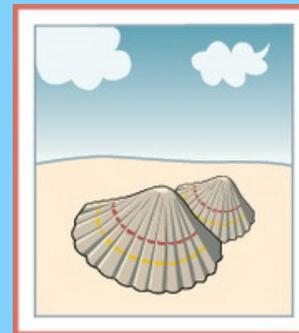
- **The CA800 is an Excel workbook created by the California Department of Social Services (CDSS) and is the mechanism used by counties to obtain Federal and State reimbursement for the Assistance expenditures.**
- **Payments are made through the consortium systems (CalWIN, C-IV, LRS).**
- **Cash Assistance Payments and Foster Care Placement costs are included on the CA800.**
- **IHSS Payments are made through CMIPS II and the State invoices the County for their share of cost.**

Can I use Assistance funding to pay for staff?



Administration

- **Counties are provided Allocations for capped State funding streams to administer the programs.**
 - **In most cases, the Federal Funds are uncapped.**
- **Allocations are not controlled at the detail level.**
- **Allocations are only good for one fiscal year! Use it or lose it.**



Does my allocation funding carry-over from year to year?



CEC Purpose - Administration



- **The County Expense Claim (CEC) is an automated system that was created by the California Department of Social Services (CDSS).**
- **Only Administrative costs and Mandated Client Services are processed through the CEC.**
- **The CEC is the mechanism used by counties to obtain Federal and State reimbursement for the Social Services Programs administered by CWD.**

CEC Purpose

- **Administrative Costs**
 - Salary and Benefits
 - Facility Costs (Leases, Utilities, Building Improvements)
 - Travel
 - Training Costs
 - Equipment
 - Other Operating
- **Mandated Client Services**
 - Contracts
 - Child Care
 - Supportive Services



Key Components for Completing the CEC

- **Time Study Data**
- **Case Count Data**
- **Expenditure Data**



Fiscal Regulations

Social Services financing is governed by many agencies and regulations:

- County Welfare Department (CWD) Cost Allocation Plan
- 2 CFR 225 “Cost Principles for State, Local & Indian Tribal Governments”
- County Fiscal Letters (CFLs) and All County Letters (ACLs)

CWD Cost Allocation Plan

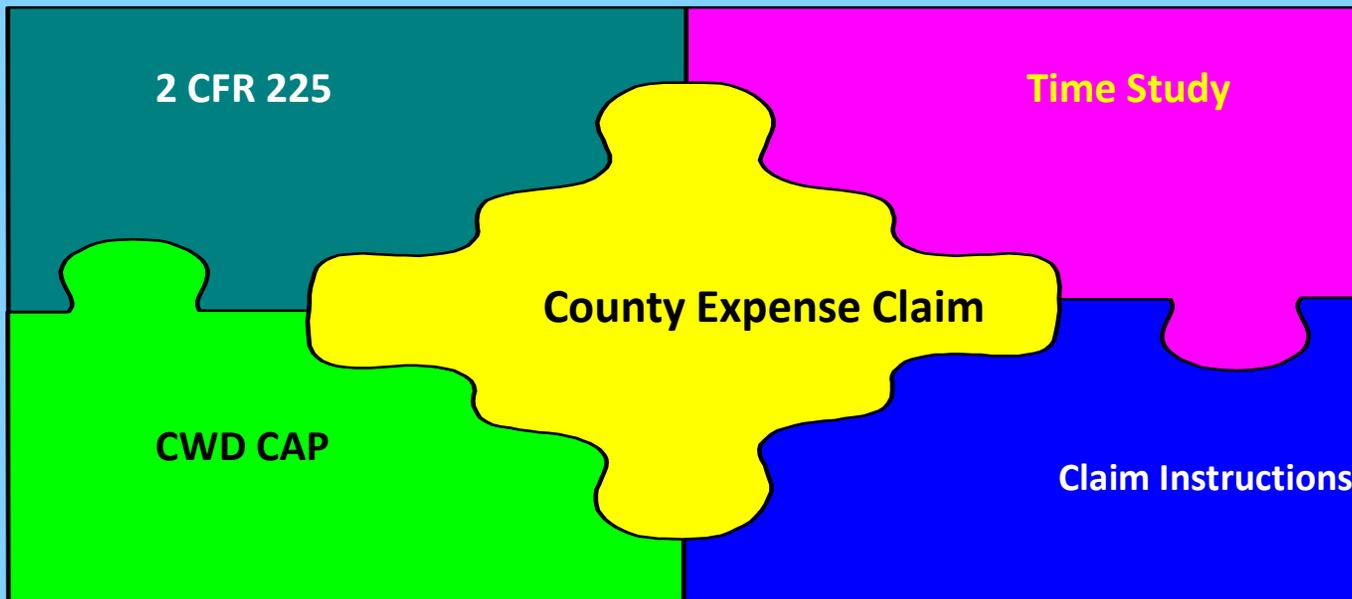
- What is a cost allocation plan (CAP)?
- Why is the cost allocation plan necessary?
- How is the cost allocation plan applied?

2 CFR 225

The Federal Provisions that outline principles in determining allowable costs for Federal awards

- Costs required to operate a program such as personnel costs, goods and services, equipment, training, travel, etc.
- Costs must be reasonable, fair, equitable, and consistent – we must treat like costs alike

Fiscal Regulations



Generic vs. Direct Costs

- **Generic** refers to costs that are generally administrative in nature, have department-wide benefit, or costs that cannot be reasonably identified as benefiting a specific program or group of programs.
- **Direct** refers to services or costs that directly benefit a specific program and/or function.





Allocated Costs

- **Most county expenditures are allocated within the CEC.**
- **Allocated Costs include:**
 - **Salary & Benefits**
 - **Other Operating Costs**
 - **Facilities, EDP, and SDD Costs**
- **Federal and State guidelines require equitable distribution of costs among all programs when costs cannot reasonably be charged to a specific program.**

How Are Costs Allocated Within the CEC?

- **Time Studies**
- **Case Counts**



Time Studies



- **What is time study?**
 - **The time study process is a work activity survey to document what programs and tasks staff were engaged in during a specific time period.**
- **Allowable time study processes:**
 - **Mid-month**
 - **Random moment**
 - **Continuous**

Time Studies



- Each quarter time study information must be summarized by categories for input into the CEC.
- A Time Study Summary Report is prepared for each salary pool category in the CEC:
 - Support Staff Pools
 - Admin Generic
 - Admin Program
 - Clerical
 - EDP (Electronic Data Processing)
 - SDD (Staff Development Department)
 - Caseworker Pools
 - Social Services Workers
 - Eligibility Workers
 - Employment Service Workers
 - Fraud Workers

Time Studies



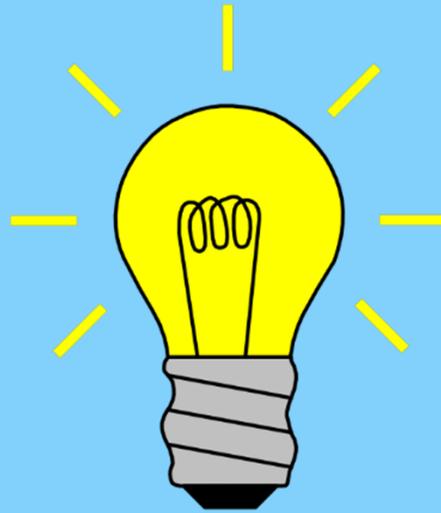
- Each Time Study Summary displays the total hours by program as reported by staff in the respective salary pool.
- The Full Time Equivalent (FTE) values by program code are also displayed and are used for input into the CEC.
- Caseworker hours are used to develop ratios to allocate costs to the function and program levels in the CEC.
- Time study hours are the single most important data element used in the CEC to allocate costs to the program level.

Time Study Codes

- All time study code hours are input into the CEC from the Time Study Summary for each salary pool category.
- The CEC assigns each time study code to one of five program functions:
 - Social Services
 - CalWORKs
 - Other Public Welfare
 - Child Care
 - Generic



Does everyone have to time study?



How is the Time Study Data Used Within the CEC?

- **Utilizing the time study data the CEC generates three different types of program ratios for allocation purposes:**
 - **Casework Ratio** – this ratio is used to allocate generic costs to one of the following four CEC functions: Social Services, CalWORKs, Other Public Welfare, and Child Care.
 - **Program Ratio** – this ratio is used to allocate all other cost pools, where applicable, to the program level.
 - **Salary Pool Program Ratio** – this ratio is used to allocate caseworker salary and benefits costs within the CEC functions to the program level.

Casework Ratio



- **The Casework Ratio is calculated by dividing the casework hours of each function by the total casework hours.**

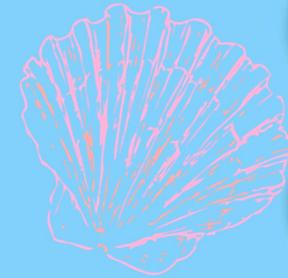
Function	Total Casework Hours	Casework Ratio
Social Services	150,000.0	0.348837
CalWORKs	90,000.0	0.209302
Other Public Welfare	180,000.0	0.418605
Child Care	10,000.0	0.023256
Total	430,000.0	1.000000

Casework Ratio

- The Casework Ratio is applied to Generic costs to determine the function costs.
- Generic operating costs for the quarter were **\$10,000,000**. These costs are allocated to the function based on the Casework Ratio:

Function	Total Casework Hours	Casework Ratio	Generic Operating Costs
Social Services	150,000.0	0.348837	\$ 3,488,372
CalWORKs	90,000.0	0.209302	\$ 2,093,023
Other Public Welfare	180,000.0	0.418605	\$ 4,186,047
Child Care	10,000.0	0.023256	\$ 232,558
Total	430,000.0	1.000000	\$ 10,000,000

Casework Ratio



- If the hours for CalWORKs are reduced by **20,000**, either by a reduction in FTE's or a change in time study practice, the result is:

Function	Total Casework Hours	Casework Ratio	Total Casework Hours	Casework Ratio
Social Services	150,000.0	0.348837	150,000.0	0.365854
CalWORKs	90,000.0	0.209302	70,000.0	0.170732
Other Public Welfare	180,000.0	0.418605	180,000.0	0.439024
Child Care	10,000.0	0.023256	10,000.0	0.024390
Total	430,000.0	1.000000	410,000.0	1.000000

Casework Ratio

- The allocation of the **\$10,000,000** changes. CalWORKs received a reduced amount, however all other functions increase.

Function	Total Casework Hours	Casework Ratio	Generic Operating Costs	Total Casework Hours	Casework Ratio	Generic Operating Costs	Difference
Social Services	150,000.0	0.348837	\$ 3,488,372	150,000.0	0.365854	\$ 3,658,537	\$ 170,164
CalWORKs	90,000.0	0.209302	\$ 2,093,023	70,000.0	0.170732	\$ 1,707,317	\$ (385,706)
Other Public Welfare	180,000.0	0.418605	\$ 4,186,047	180,000.0	0.439024	\$ 4,390,244	\$ 204,197
Child Care	10,000.0	0.023256	\$ 232,558	10,000.0	0.024390	\$ 243,902	\$ 11,344
Total	430,000.0	1.000000	\$ 10,000,000	410,000.0	1.000000	\$ 10,000,000	\$ -

Program Ratio

- Once the CEC has allocated generic operating costs to the function level, the next step is to allocate costs to the program level.
- This is done using the Program Ratio.



Program Ratio

- **The Program Ratio is calculated by dividing the total hours for each time study code by the total time study hours within the function.**

Program Code	Description	TSC Hours	Program Ratio
614	CalWORKs Eligibility	30,000.0	0.428571
615	Initial EI Determ - CalWORKs/MC	25,000.0	0.357143
663	CalWORKs Case Management	15,000.0	0.214286
CalWORKs Total		70,000.0	1.000000

Program Ratio

- The CalWORKs share of the generic operating costs were calculated to be **\$1,707,317** using the Casework Ratio.
- The CEC allocates this cost to all programs within the CalWORKs function based on the Program Ratio.
- The CalWORKs Eligibility program code gets **\$731,707** of the generic operating cost

Program Code	Description	TSC Hours	Program Ratio	Generic Operating Costs
614	CalWORKs Eligibility	30,000.0	0.428571	\$ 731,707
615	Initial EI Determ - CalWORKs/MC	25,000.0	0.357143	\$ 609,756
663	CalWORKs Case Management	15,000.0	0.214286	\$ 365,854
CalWORKs Total		70,000.0	1.000000	\$ 1,707,317

Salary Pool Program Ratio

- Used to allocate the salary and benefit costs of each salary pool (Social Workers, Employment Services Workers, Eligibility Determination Workers, and Fraud Investigators) to the program level.



Salary Pool Program Ratio

- The Salary Pool Program Ratio is calculated by dividing the total hours for each time study code within the salary pool by the total time study hours in the salary pool.

Program Code	Description	Eligibility Worker TSC Hours	Salary Pool Program Ratio
614	CalWORKs Eligibility	30,000.0	0.315789
CalWORKs Total for Eligibility Worker Pool		30,000.0	0.315789
215	Medi-Cal	40,000.0	0.421053
343	CalFresh Eligibility	25,000.0	0.263158
Other Public Welfare for Eligibility Worker Pool		65,000.0	0.684211
Grand Total for Eligibility Worker Pool		95,000.0	1.000000

Salary Pool Program Ratio

- The total salary and benefits costs for the Eligibility Workers pool were **\$5,000,000**.
- The CEC allocates this cost to the programs based on the Salary Pool Program Ratio.
- The CalWORKs Eligibility program is allocated \$1,578,947 of the salary and benefit costs for the Eligibility Workers.

Program Code	Description	Eligibility Worker TSC Hours	Salary Pool Program Ratio	Salary and Benefits for Eligibility Worker Pool
614	CalWORKs Eligibility	30,000.0	0.315789	\$ 1,578,947
CalWORKs Total for Eligibility Worker Pool		30,000.0	0.315789	\$ 1,578,947
215	Medi-Cal	40,000.0	0.421053	\$ 2,105,263
343	CalFresh Eligibility	25,000.0	0.263158	\$ 1,315,789
Other Public Welfare for Eligibility Worker Pool		65,000.0	0.684211	\$ 3,421,053
Grand Total for Eligibility Worker Pool		95,000.0	1.000000	\$ 5,000,000

Case Counts

- **Case counts are used in the CEC to shift costs between programs or program components. Some examples include:**
 - **To determine and shift Non-Federal costs.**
 - **The Federal government does not reimburse costs incurred for non-federally eligible persons served in programs such as Adoptions Assistance, AFDC-FC, and CalFresh. Case count ratios are utilized to shift non-federally eligible costs to program codes that have no Federal share.**
 - **To allocate generic Electronic Data Processing (EDP) costs.**
 - **Generic EDP/IT costs are allocated to programs and functions based on the quarterly case counts.**



Case Counts



- Total Federal and Non-Federal case counts are entered into the CEC by program code.
- The Non-Federal Ratio is calculated by dividing the non-Federal counts for each program by the total case counts.

Type of Count	Adoptions Assistance	AFDC Foster Care	CalFresh
Federal Count	16,203	7,016	866,634
Non-Federal Count	4,569	3,808	4,205
CFAP - Single Count	-	-	788
Total Case Counts	20,772	10,824	871,627
Non-Federal Ratio	0.219960	0.351811	0.004824

Case Counts

- **The Non-Federal Ratio is then applied to the costs of specific program codes within the CEC.**
- **The non-Federal costs are then shifted to a non-Federal code within the CEC.**

Program Code	Description	Total Costs	Non-Federal Ratio	Non-Federal Share of Costs
117	Adoptions Case Management	\$ 678,835	0.219960	\$ (149,316)
118	Adoptions - NonFed			\$ 149,316



County Direct Charges Examples

- Overtime
- Other Operating Costs
 - Facilities
 - SDD
 - EDP
 - Cell Phones, Professional Services, Fingerprinting, County Counsel
- Client Services
 - Contracts



Direct Charge Requirements

- **A county may choose to implement a direct charge methodology at the beginning of the FY or any quarter during the FY.**
 - **The chosen methodology must remain in effect for the remainder of the FY.**
 - **A county can only discontinue a methodology at the beginning of a new FY.**
- **Costs must be consistently treated as direct or indirect under like circumstances.**
- **Methodology employed must result in an equitable allocation or assignment of costs.**
 - **Distribution of a cost grouping must include all benefitting programs/activities in the base.**
- **A Letter of Intent must be submitted to CDSS.**

Direct Charging – PIN Codes



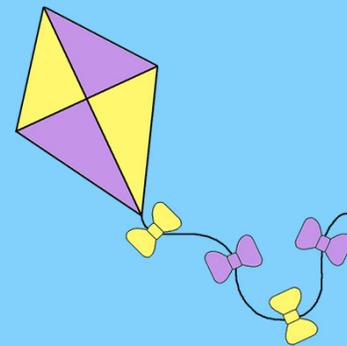
- **Child Welfare Example:**
- **The CEC Pin code that corresponds to this code is 143290. It is broken down as follows:**

143	-	2	-	90
CWS - Case Mgmt		Family Maintenance		Other Operating Cost
(Program)		(Component ID)		Type of Expense

- **Each program code in the CEC has a sharing ratio that identifies the Federal/State/County funding percentages for the costs claimed to that program code.**

Sharing Ratios

- **Sharing ratios relates to the percent of cost reimbursement that each entity (Federal, State, Health, or County) will contribute toward expenditures for programs.**
- **Each program code within the CEC has a sharing ratio.**



Sharing Ratio Example

- The sharing ratios for PC 343 (Non-Assisted CalFresh Eligibility) is as follows:
 - Federal – 50%
 - State – 35%
 - County 15%
- All costs allocated or direct charged to PC 343 will be reimbursed using these ratios.



CEC Ledgers



- **The ledger pages within the CEC are used to track allocations that the County Agency receives to operate the welfare programs.**
- **The purpose of the ledgers is to track expenditures against allocations.**
- **Expenditures in excess of the program's allocation will be shifted to county only funds within the CEC using a State Use Only (SUO) code.**

Ledger Example

- All CalFresh program codes, including PC 343, are tracked on CEC Ledger 017.
- In example, Ledger 017 displays total expenditures by program code and sharing ratio.

Ledger 017				
Program Code	Total Expenditures	Federal	State	County
PC 211	1,024,710	512,354	358,649	153,707
PC 268	123,938	61,969	43,378	18,591
PC 343	69,850,421	34,925,210	24,447,647	10,477,564
PC 347	1,013,736	506,867	354,808	152,061
Total	72,012,805	36,006,400	25,204,482	10,801,923

- Assuming the State Allocation for CalFresh is \$20 million, the county exceeded their allocation by \$5,204,482.



Ledger Example

- Therefore, the State expenditures over the allocation (\$5,204,482) will be shifted to county only funds using SUO 284:

Ledger 017				
Program Code	Total Expenditures	Federal	State	County
PC 211	1,024,710	512,354	358,649	153,707
PC 268	123,938	61,969	43,378	18,591
PC 343	69,850,421	34,925,210	24,447,647	10,477,564
PC 347	1,013,736	506,867	354,808	152,061
SUO 284	-		(5,204,482)	5,204,482
Total	72,012,805	36,006,400	20,000,000	16,006,405

How is overspending in programs covered with funding?



Other Impacts of the CEC & Time Studies

- **Allocations**
 - The time study process is also vital to department funding since the State uses expenditure data to build many of the county allocations.
- **Fiscal Reporting**
 - Additionally, time study data is also used for staffing analysis and reporting purposes.



Thank you!!!

