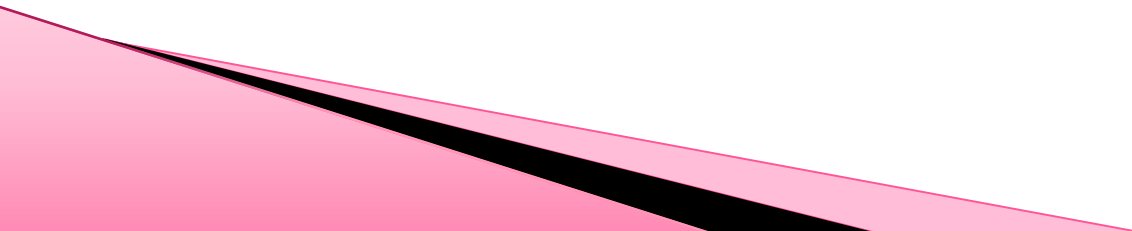




Social Services Financing 101

Social Service Financing

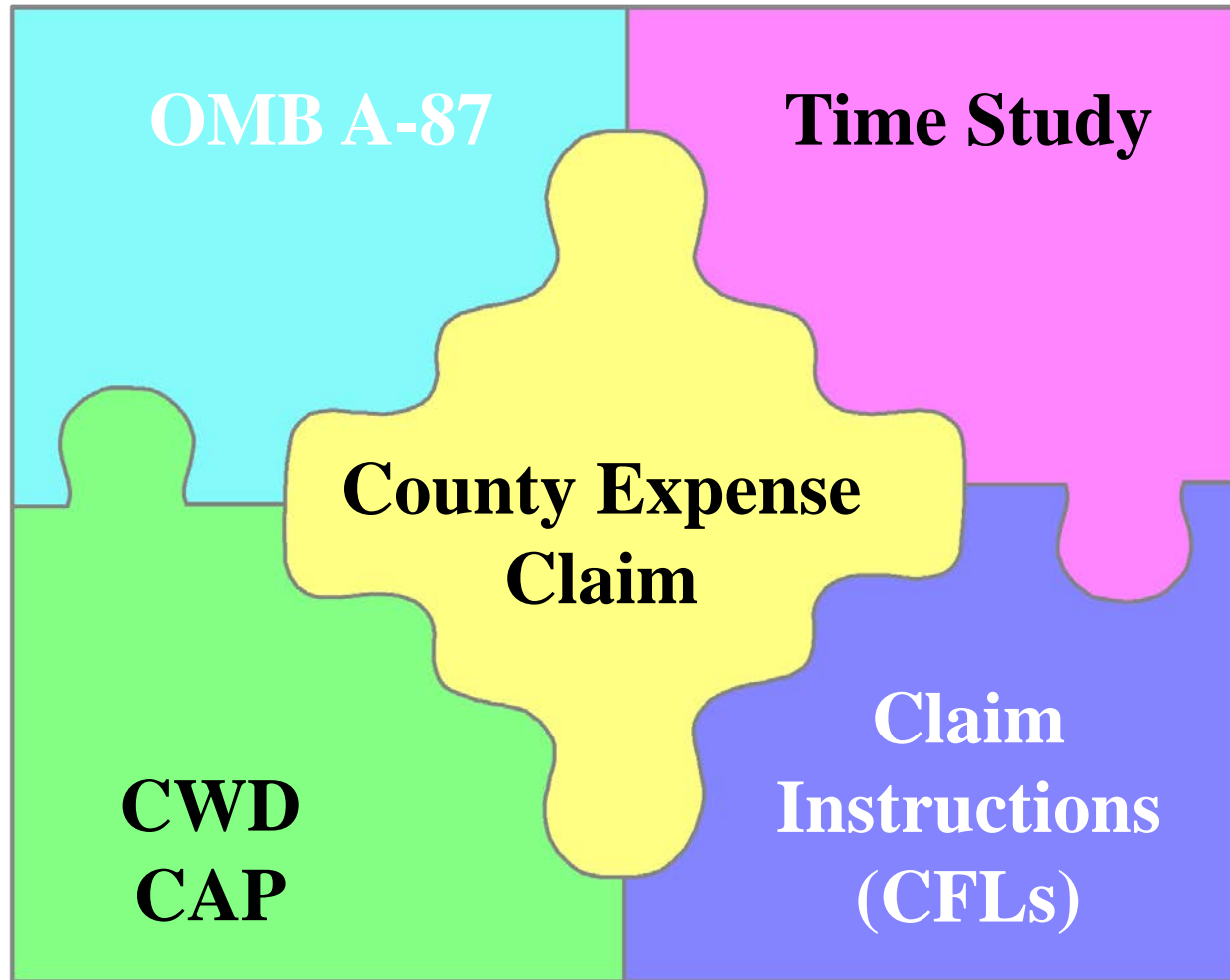
- ▶ The CEC is the main document the state uses to authorize federal and state funds be paid to counties (Admin programs)
 - ▶ Funding is to reimburse Counties for Costs Paid (Cash Basis)
 - ▶ Advances are based on estimates made by the state, usually based on past history of spending.
- 

Fiscal Regulations

Social Services financing is regulated by many agencies and regulations

- ▶ County Welfare Department Cost Allocation Plan
- ▶ OMB A-87 “Cost Principles for State, Local & Indian Tribal Governments”
 - (Effective 12/26/14– 2 CFR Chapter 11, Part 200 replaces OMB A-87)
- ▶ <https://cfo.gov/cofar/>
- ▶ <http://www.youtube.com/watch?v=q0rWXdy2ICM&feature=youtu.be>
- ▶ CFL’s and ACL’s

Fiscal Regulations

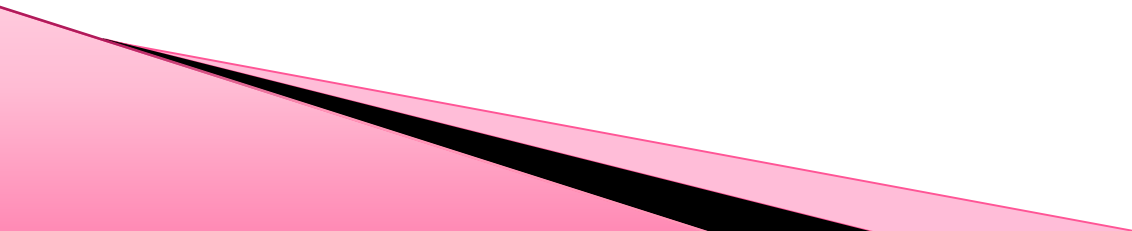


OMB A-87

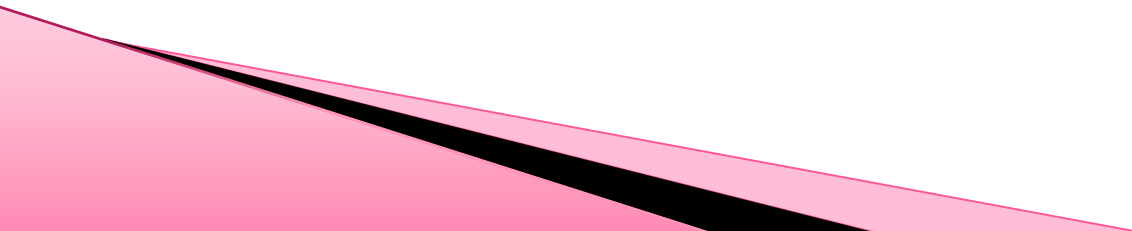
- ▶ Federal & State Provisions that outline principles in determining allowable costs.
 - Costs Required to Operate a Program
 - Fixed Assets/Depreciation
 - Space
 - Debt Expenses
 - Employee Morale Expenditures

CWD Statewide CAP

▶ What is a Cost Allocation Plan?

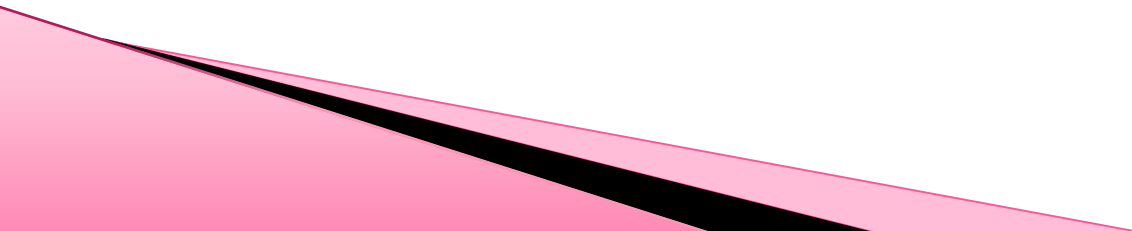
- A description of the procedures that are used in identifying, measuring and allocating costs incurred in support of all programs administered or supervised by the Department.
 - Includes guidance for charging both labor and non labor costs
- 

Why is the Cost Allocation Plan (CAP) Necessary?

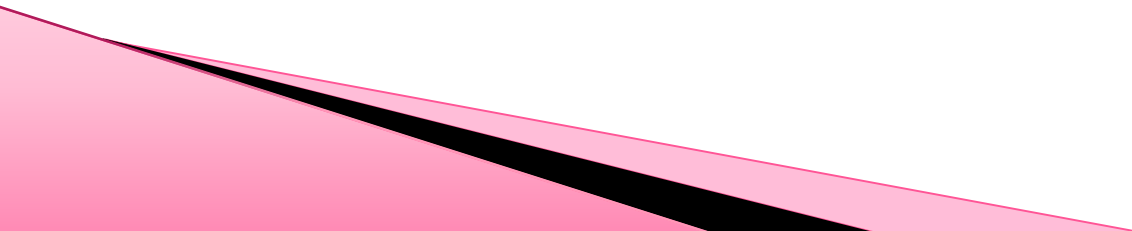
- ▶ The Federal Government requires the use of a CAP to satisfy federal reporting and funding requirements.
 - ▶ Costs not claimed in accordance with the approved CAP will be disallowed by the Federal government.
 - ▶ Provides expenditure data for efficient welfare operation management.
- 

CWD Statewide CAP

▶ **Non Labor Costs**

- Client Services
 - Overhead –Direct Charge
 - Overhead –Spread
 - Start Up Costs
 - Fixed Assets
- 

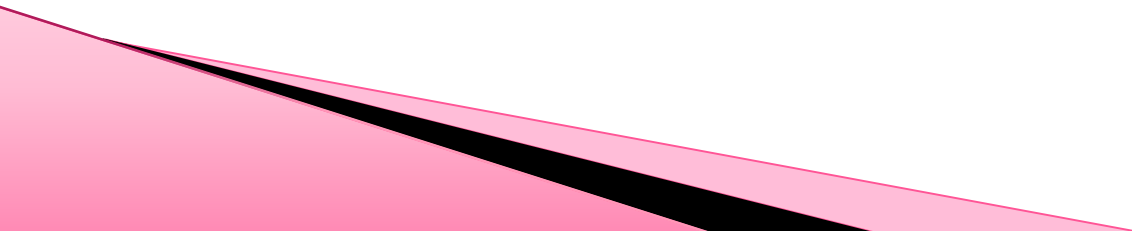
Overhead – Spread Costs

- **Support operating costs which:**
 - Typically have a department wide benefit to all programs, or
 - Cannot be direct charged to a function and/or program,
 - Will normally be distributed to the functions based on a ratio of total caseworker time study results.
- 

Overhead Costs – Direct Charge

- ▶ 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

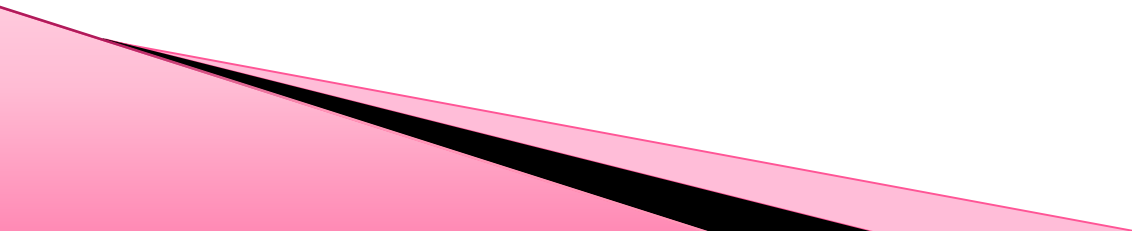
Start-Up and One time Only Costs

- ▶ 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.
- 

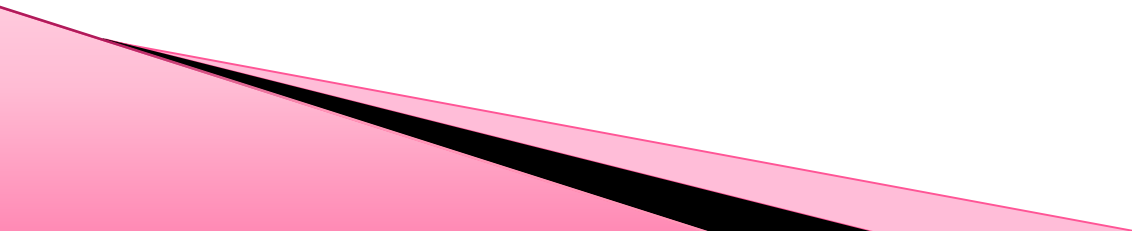
Fixed Assets

- Fixed assets must be depreciated and claimed over their useful life.
 - Furniture and Fixtures > \$25k
(Title 45, Subtitle A, Subchapter A, Part 95, Subpart G)
 - EDP Hardware and Software > \$5k

Importance of Time Studies and Costs Shifts

- ▶ **Time Studies are the basis for:**
 - Allocating Salary Costs to benefiting programs
 - Allocating Overhead based on the Spread Methodology
- 

Importance of Time Studies and Costs Shifts

- Understand time study instructions so to Maximize funding while being in compliance
 - Use Health Related codes whenever valid
 - Understand Cost Shifts
- 

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

Generic Cost Spread \$2,000,000.00

<u>FTE's/Hours</u>	<u>Hours</u>	<u>Ratio</u>	<u>Overhead Cost</u> <u>Allocation</u>	<u>County Cost</u>
CalWorks	1000	0.258065	\$516,129.03	MOE
CalFresh	600	0.154839	\$309,677.42	MOE
Medi-Cal	1600	0.412903	\$825,806.45	None
General				
Relief	175	0.045161	\$90,322.58	\$90,322.58
CWS	400	0.103226	\$206,451.61	\$30,967.74
IHSS	100	0.025806	\$51,612.90	MOE
	3875	100%	\$2,000,000.00	\$121,290.32

Generic Cost Spread \$2,000,000.00

Increase Staffing in Medi-Cal-400 FTE's

<u>FTE's/Hours</u>		<u>Ratio</u>	<u>Overhead</u>	<u>County Cost</u>
CalWorks	1000	0.233918	\$467,836.26	MOE
CalFresh	600	0.140351	\$280,701.75	MOE
Medi-Cal	2000	0.467836	\$935,672.51	None
General Relief	175	0.040936	\$81,871.35	\$81,871.35
CWS	400	0.093567	\$187,134.50	\$28,070.18
IHSS	100	0.023392	\$46,783.63	MOE
	4275	100%	\$2,000,000.00	\$109,941.52

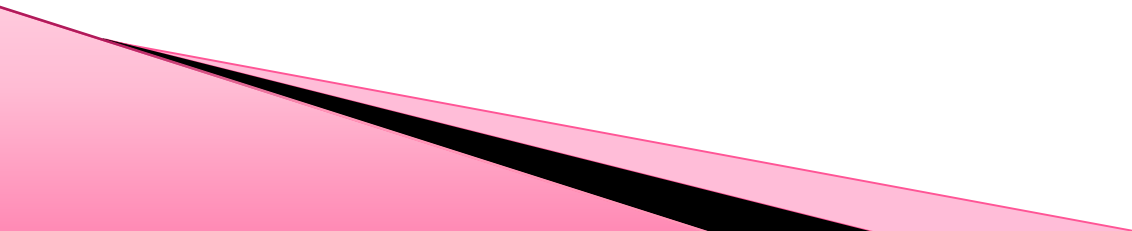
Decrease Staffing in Medi-Cal-(200 FTE's)

<u>FTE's/Hours</u>		<u>Ratio</u>	<u>Overhead</u>	<u>County Cost</u>
CalWorks	1000	0.272109	\$544,217.69	MOE
CalFresh	600	0.163265	\$326,530.61	MOE
Medi-Cal	1400	0.380952	\$761,904.76	None
General Relief	175	0.047619	\$95,238.10	\$95,238.10
CWS	400	0.108844	\$217,687.07	\$32,653.06
IHSS	100	0.027211	\$54,421.77	MOE
	3675	100%	\$2,000,000.00	\$127,891.16

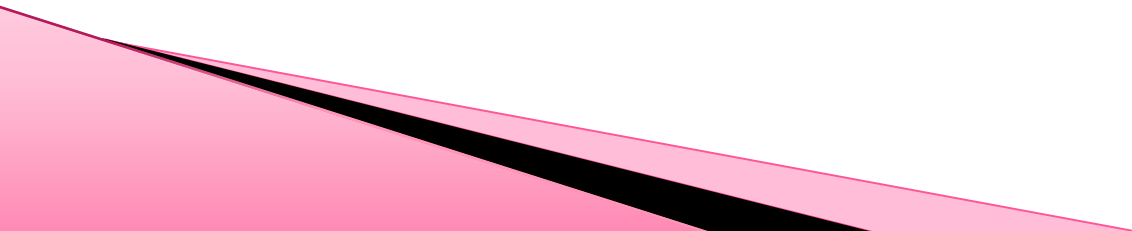


SOCIAL SERVICES FUNDING

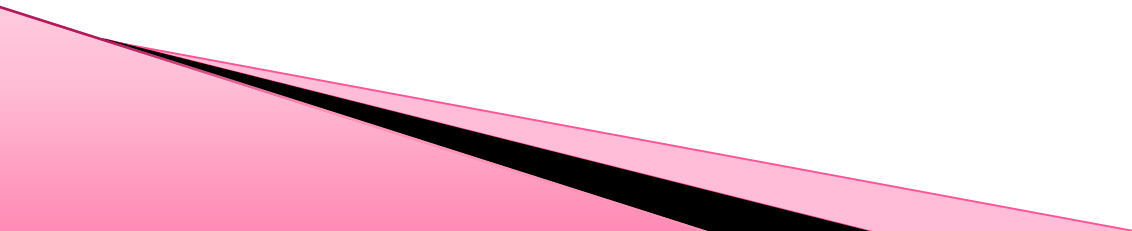
Funding Components

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

Federal Funding

- ▶ The majority of our funding begins at the federal level.
 - ▶ Federal program regulations describe the funding parameters that are to be used for each federal funding source.
 - ▶ Federal fiscal year is October 1–Sept 30
- 

State General Funding

- ▶ 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.
 - ▶ State fiscal year is July 1 – June 30
 - ▶ 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 pool
 - 1991 Realignment
 - 2011 Realignment

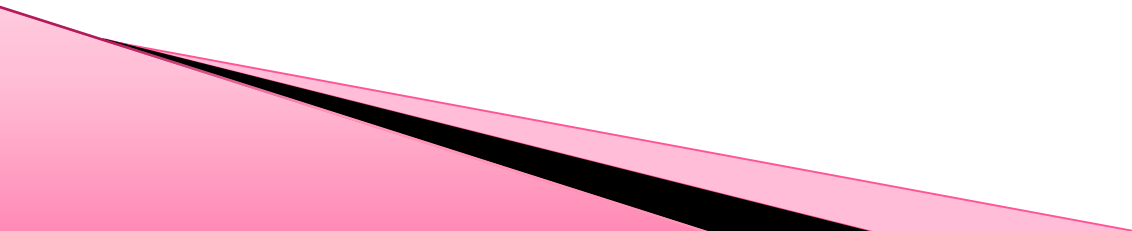
PROGRAM

```
graph TD; PROGRAM[PROGRAM] --- ASSISTANCE["ASSISTANCE (CA800)"]; PROGRAM --- ADMINISTRATION["ADMINISTRATION (CEC)"]
```

ASSISTANCE
(CA800)

ADMINISTRATION
(CEC)

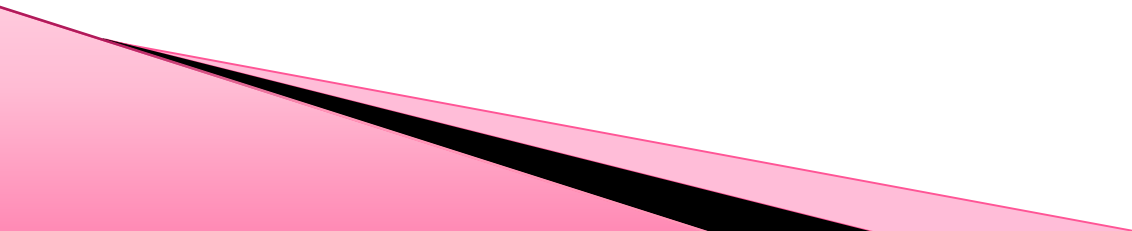
Assistance

- ▶ CalWORKs assistance costs are considered Entitlement programs (uncapped), not allocated to counties, and are now realigned. With AB85, the State share was realigned to 1991 Realignment
 - ▶ 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
- 

Administration

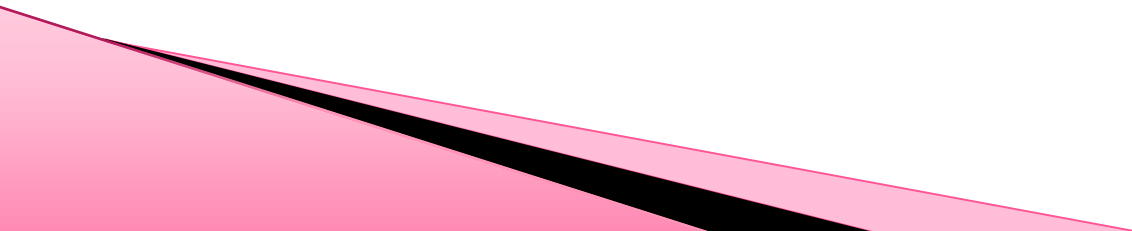
- ▶ Allocations are made to the administrative side of the house with capped State funding streams, and in some cases, uncapped Federal Funds
- ▶ Allocations are reimbursed by the expenditures through CEC.
- ▶ Allocations are not controlled at the detail level.
- ▶ Allocations are only good for one fiscal year!
Use it or lose it.

Allocation Development

- ▶ 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
- 

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
 - ▶ 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

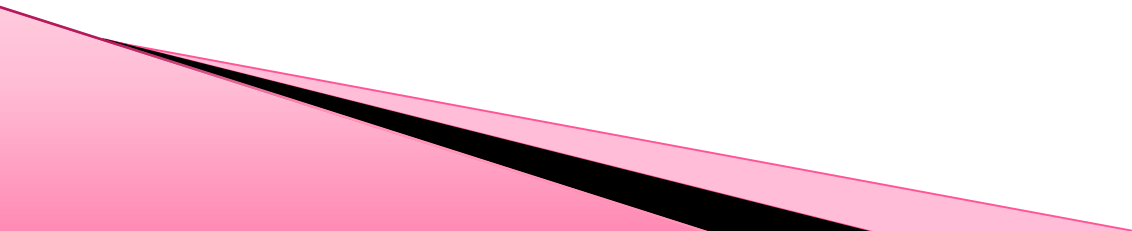
1991 Realignment Program Ratios

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

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.

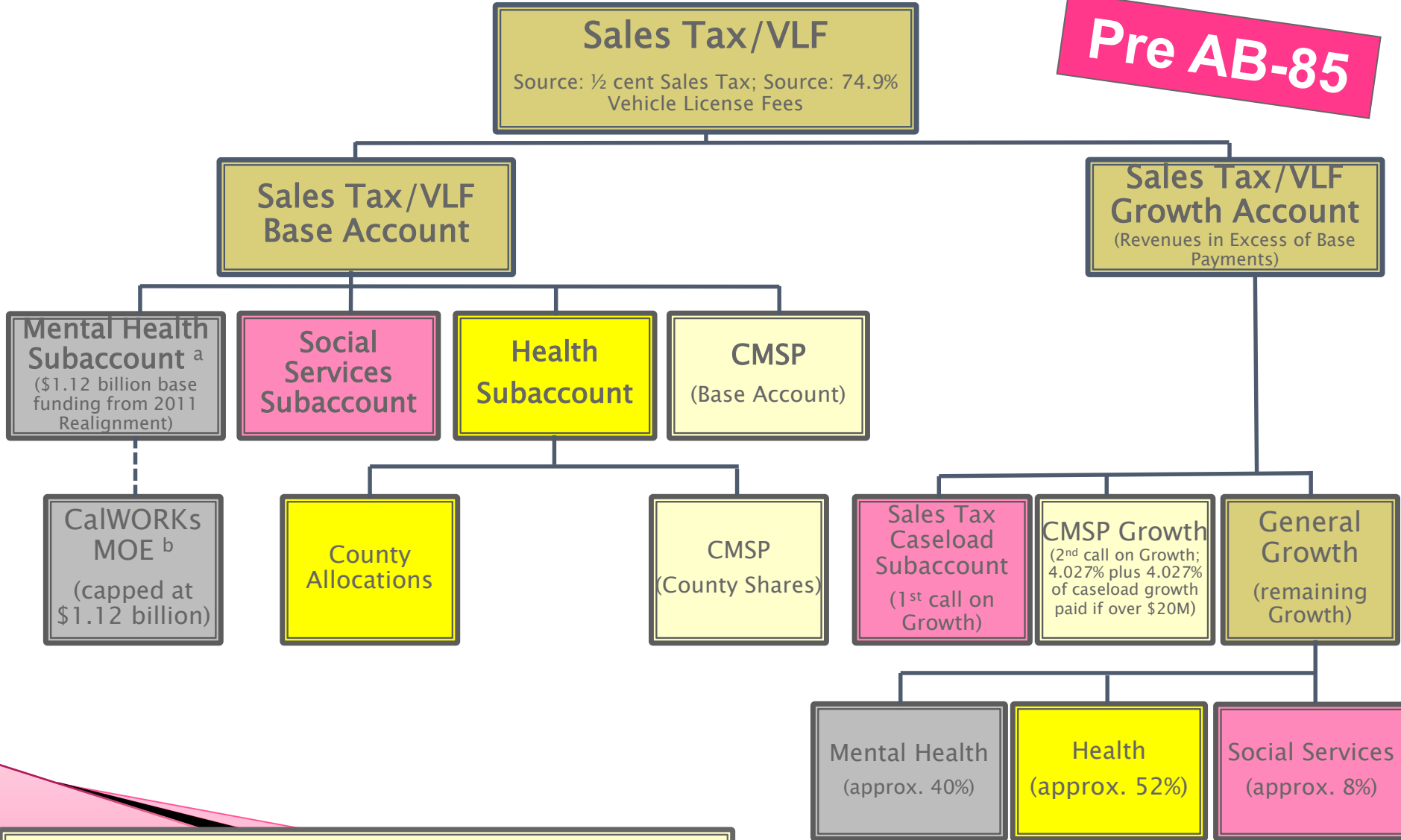
AB-85 Impacts

- 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

Pre AB-85

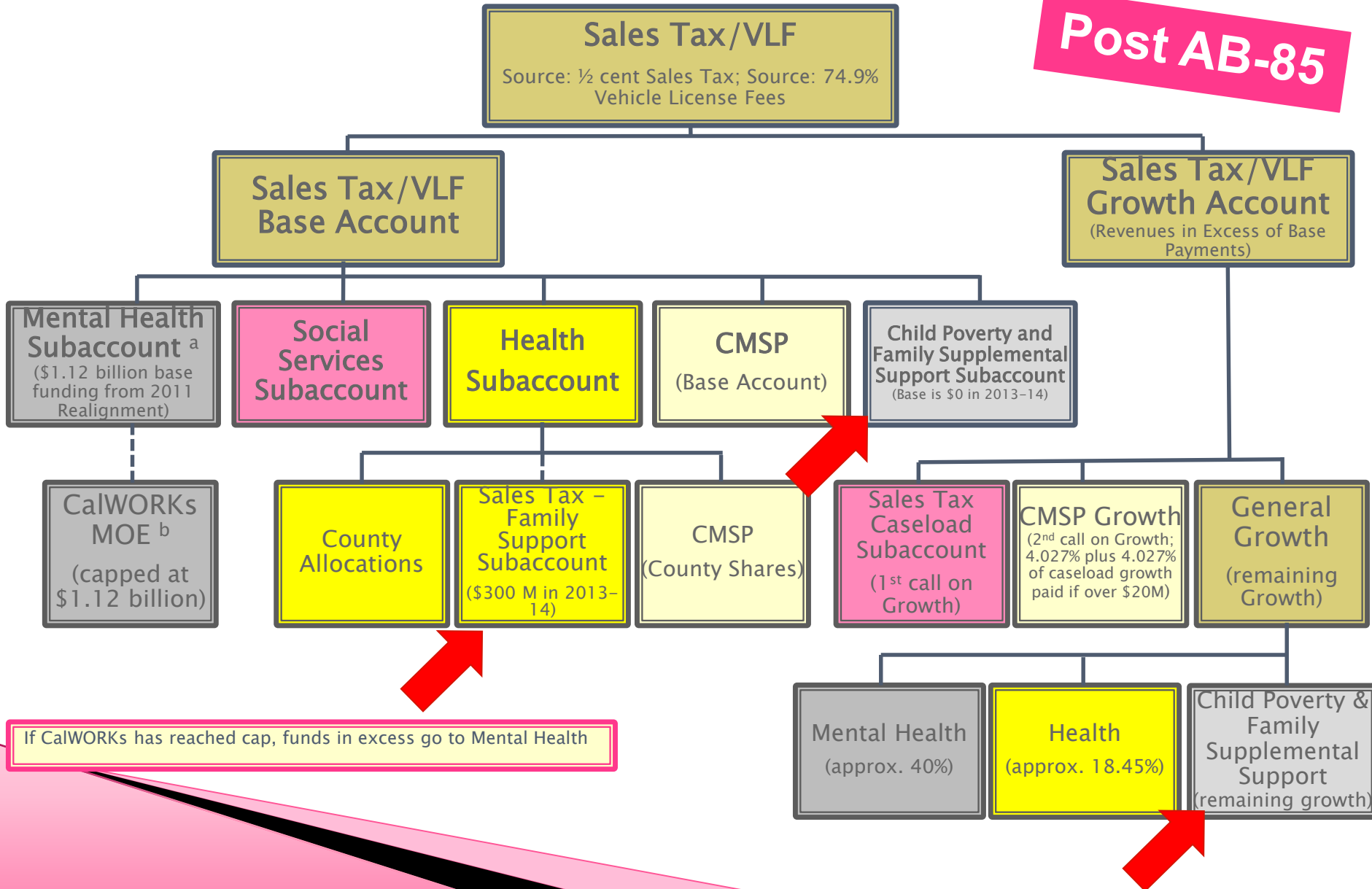


If CalWORKs MOE has reached cap, funds in excess go to Mental Health

1991 REALIGNMENT STRUCTURE – STATE

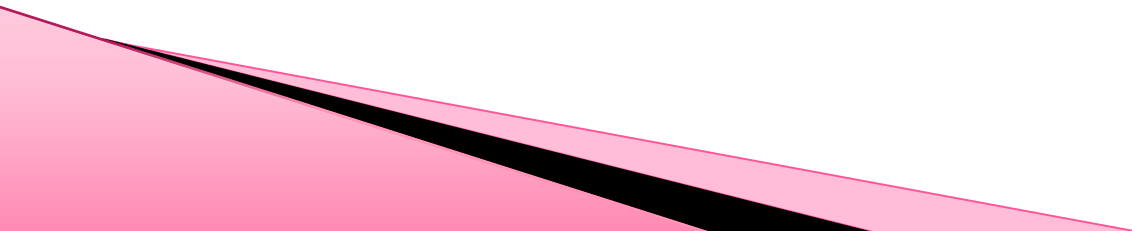
SALES TAX/VLF DISTRIBUTIONS

Post AB-85



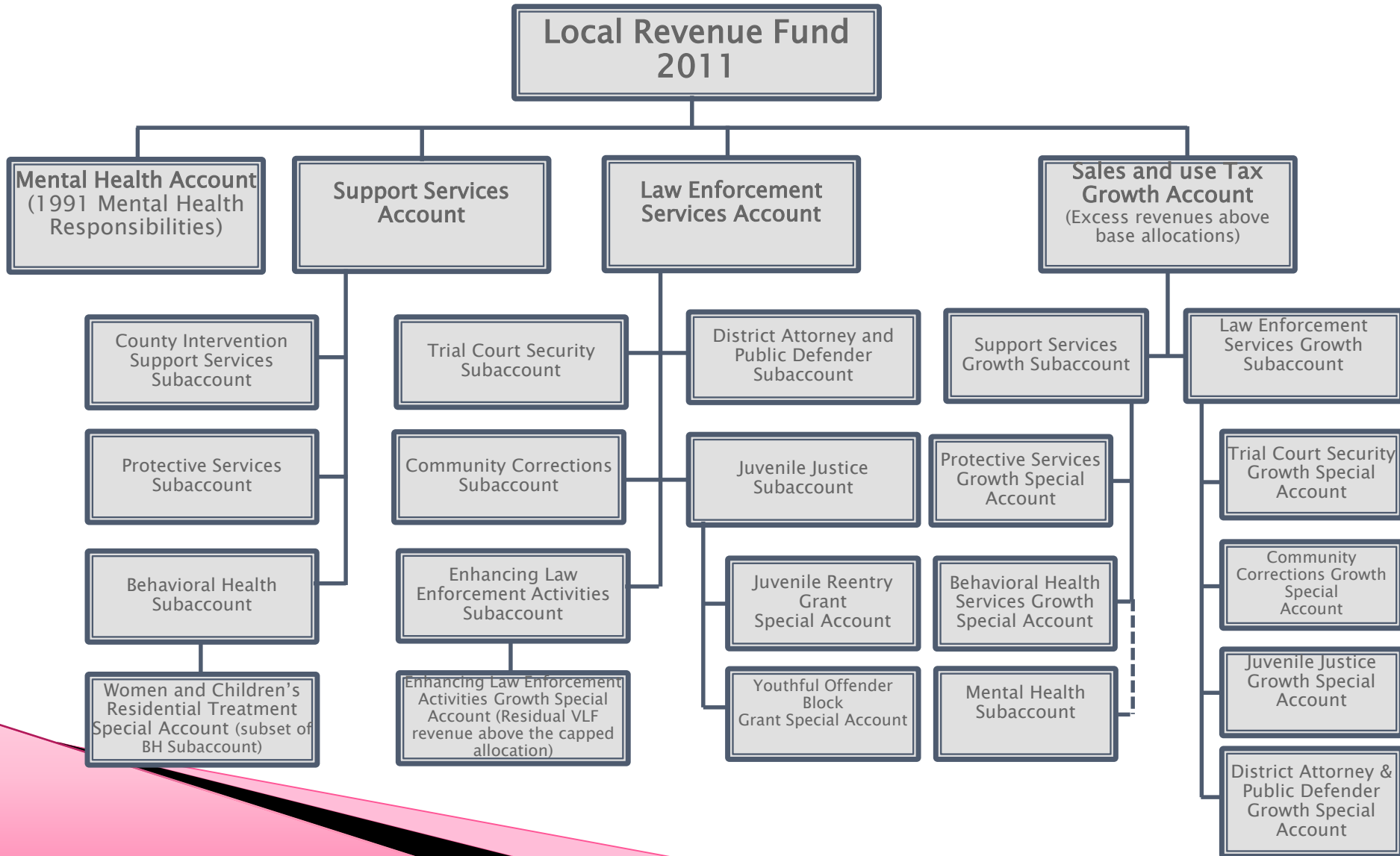
If CalWORKs has reached cap, funds in excess go to Mental Health

2011 Realignment

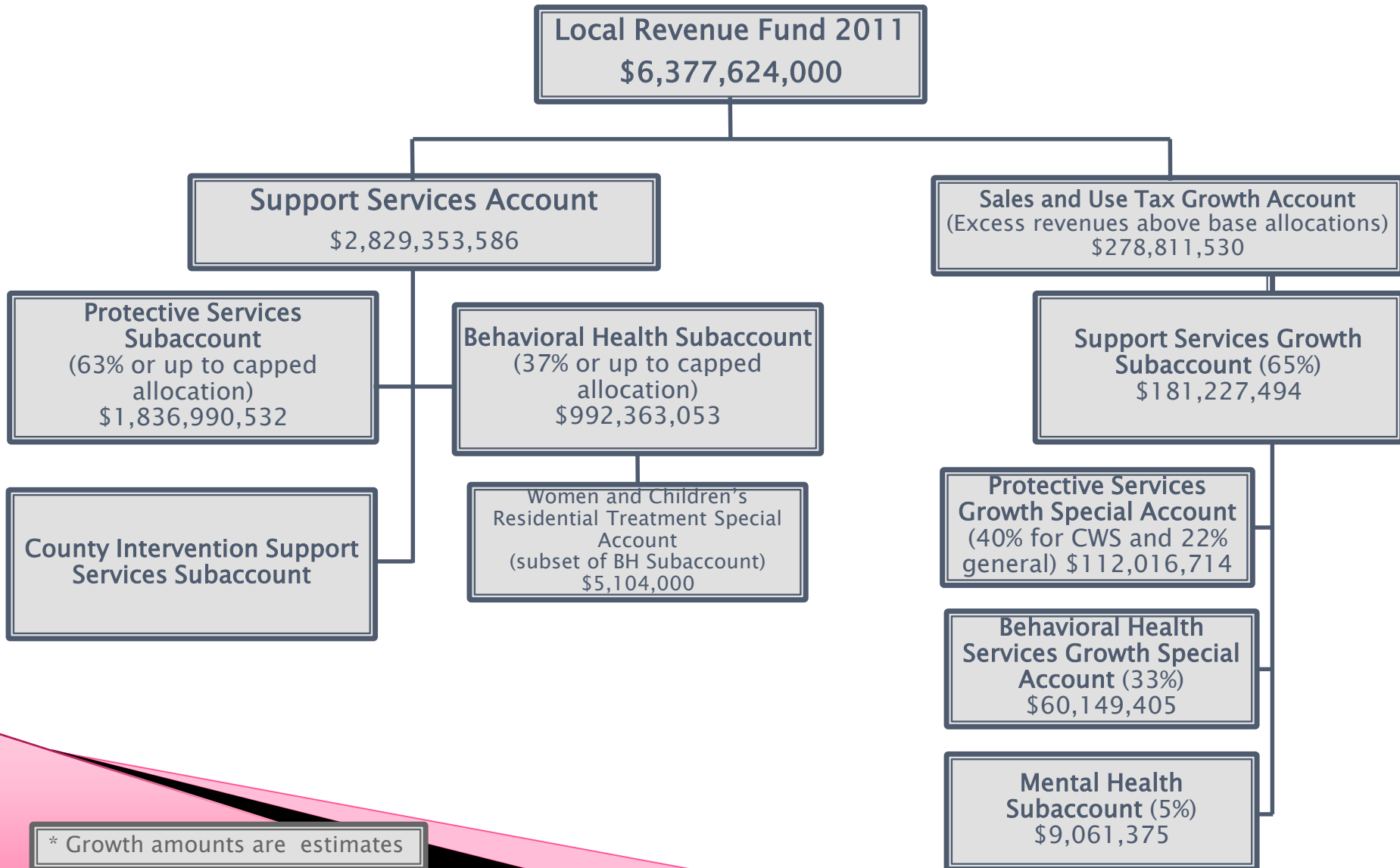
- ▶ Instead of State General fund allocations, Counties will receive a % of 2011 realignment funding.
 - ▶ Increased risk to Counties if sales tax and VLF do not materialize
- 

Local Revenue Fund 2011

State Structure



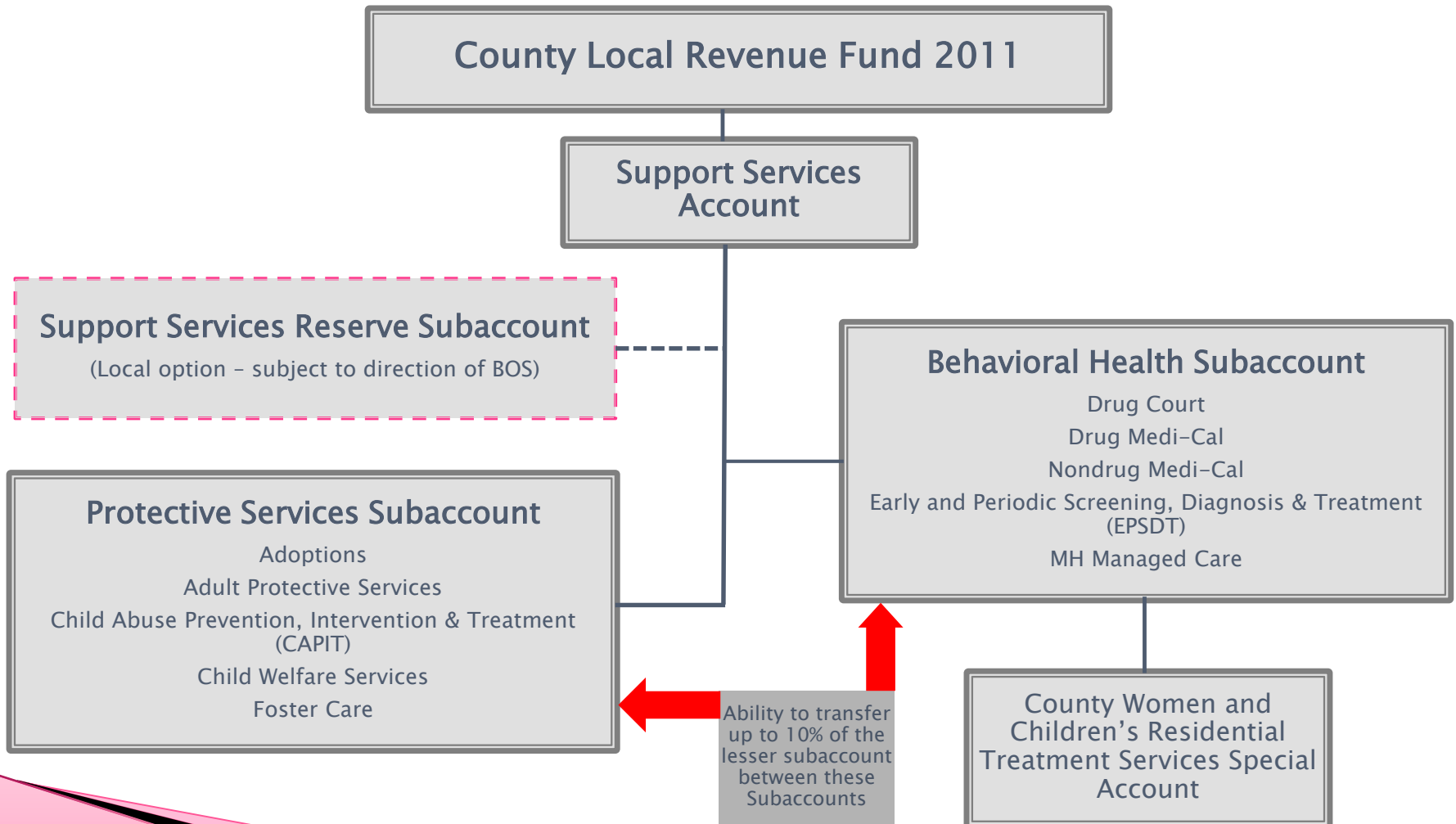
State Structure for Support Services for FY 2013-14



* Growth amounts are estimates

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

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)

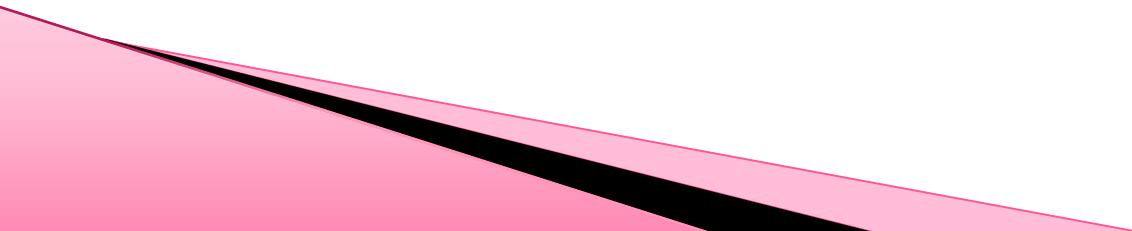
Shared

- 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
- Non-drug Medical
- Drug Court
- Law Enforcement
 - Trial Court Security
 - Juvenile Justice
 - District Attorney and Public Defender
 - Community Corrections
 - Local Public Safety Subventions

Things to Consider

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

Flow of 1991 Realignment – Theory and Reality

“1991 Realignment Social Services (Sales Tax and VLF) – Full Funding Assertion”

9/9/2014

1991 REALIGNMENT (SALES TAX AND VLF) SOCIAL SERVICES 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

STATE	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	Total
Base *	1,638,646,354	1,732,860,104	1,838,249,556	1,943,222,110	1,987,394,879	1,987,481,703	2,028,209,557	13,156,064,265
growth (caseload)**	91,543,337	105,389,452	104,972,554	44,172,769	86,824	40,727,854	102,275,815	489,168,605
growth (general)	2,670,413						13,748,615	16,419,028
Total	1,732,860,104	1,838,249,556	1,943,222,110	1,987,394,879	1,987,481,703	2,028,209,557	2,144,233,987	13,661,651,898

* 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

STATE	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11*	FY 11/12**	FY 12/13***	Total
Base	1,638,646,354	1,629,011,635	1,420,042,920	1,365,852,335	1,365,852,335	1,475,796,532	1,724,575,703	10,619,777,813
growth for 06/07	17,138,152				74,405,185			91,543,337
growth for 07/08					39,480,983	65,908,469		105,389,452
growth for 08/09						104,972,554		104,972,554
growth for 09/10						44,172,769		44,172,769
growth for 10/11						86,824		86,824
growth for 11/12						33,638,555	7,089,299	40,727,854
growth for 12/13							102,275,815	102,275,815
growth (general)	2,670,413						13,748,615	16,419,028
Total	1,658,454,920	1,629,011,635	1,420,042,920	1,365,852,335	1,479,738,503	1,724,575,703	1,847,689,432	11,125,365,446
Base compared to 06/07		(29,443,285)	(238,412,000)	(292,602,584)	(178,716,417)	66,120,783	189,234,512	

The amounts listed are from the SCO website on 1991 Realignment: http://www.sco.ca.gov/ard_payments_realign.html

*The growth payments listed as received for FY 10/11, were actually paid Sept 27, 2011 (in FY 11/12)

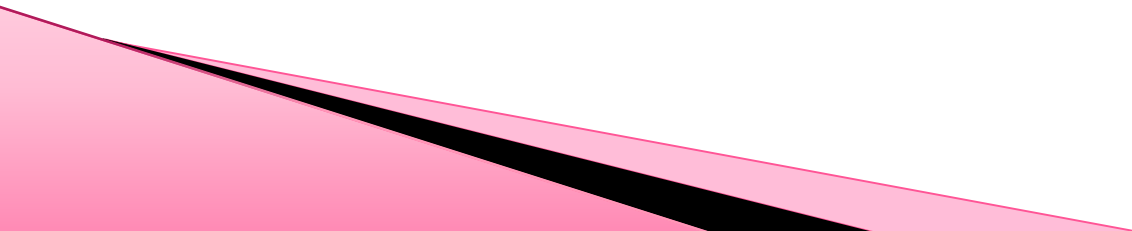
**The growth payments listed as received for FY 11/12, were actually paid 10/18/2012 (FY 12/13)

***The growth payments listed as received for FY 12/13, were actually paid 11/22/2013 (FY 13/14)

VARIANCE BETWEEN THEORY AND REALITY

STATE	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	Total
Base loss/gain	0	(103,848,470)	(418,206,636)	(577,369,775)	(621,542,544)	(511,685,172)	(303,633,855)	(2,536,286,452)
Growth	(74,405,185)	(105,389,452)	(104,972,554)	(44,172,769)	113,799,344	208,051,317	7,089,299	(0)
Variance	(74,405,185)	(209,237,922)	(523,179,190)	(621,542,544)	(507,743,200)	(303,633,855)	(296,544,556)	(2,536,286,452)

Opportunities & Possibilities


- ▶ LOOK FOR THE INTERSECTIONS
 - ▶ LOOK AT CURRENT PROGRAMS
 - ▶ Possibility?: SB-163 Wrap-Around Services
 - ▶ Possibility?: Katie A.
 - ▶ Possibility?: Preventative Services
- 



Enhancing Program Resources to Benefit Service Outcomes

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
- 

Creative Financial Modeling – Process & Documentation

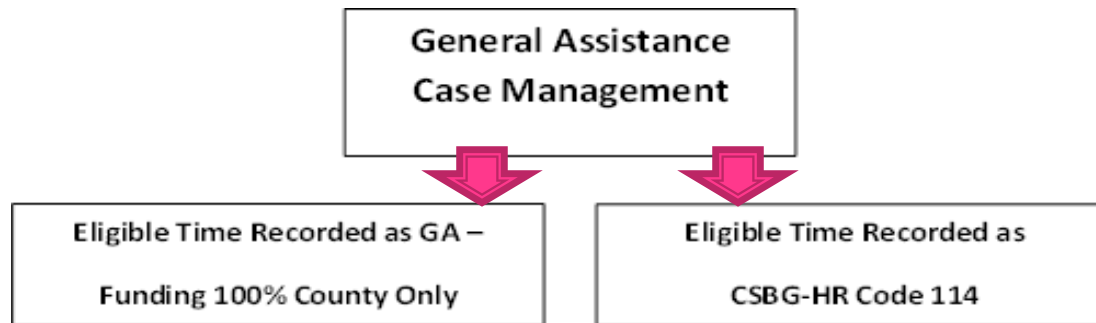
- Leadership Vision & Mission (why)
- Customer Needs (what)
- Service Design & Accounting Model (how)
 - Program Management; Fiscal Lead
 - Flow Chart Funding to Services
 - Braid Funds, Match Model or other
 - Cost Plan Documentation (contract, pin codes, payment methods, budget design, reporting, monitoring, audit plan)
- Outcomes Tracking & Reporting: Did we achieve a better service outcome? (What if?)

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

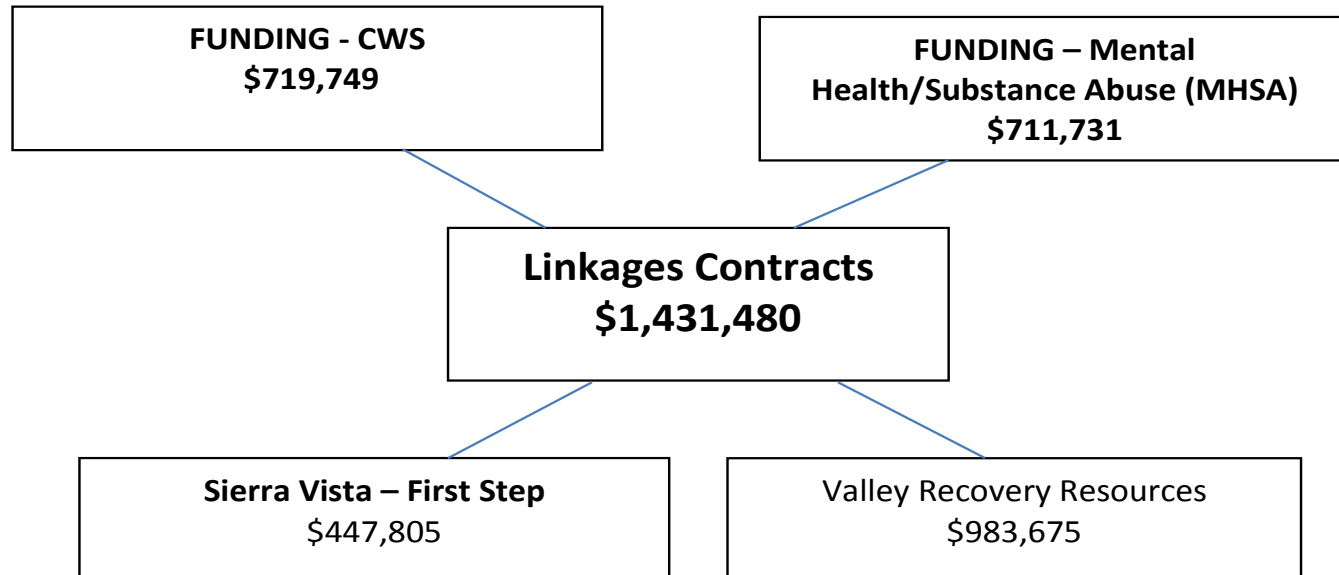
- ▶ Internal Braiding
 - SSI Advocacy supported by CSBG Health Related
 - Linkages supported by CWS and/or CalWORKs

SSI Advocacy Model



- **Vision/Mission:** Enhance access to health care. Reduce County General Fund Costs.
- **Customer Needs:** Many GA customers are disabled and eligible for SSI.
- **Service Design & Accounting Model:** GA Case Management time refocused to include SSI Advocacy. SSI advocacy time is eligible to CSBG code 114.
- **Outcomes:** Improved access to health care; SSI financial assistance is ongoing
 - FY 2013-2014 ROI is \$1.82

Linkages Model



Vision/Mission: Linkages ensure the best services are provided to children and families.

Customer Needs: Support for residential and sober living environment services.

Service Design & Accounting Model: Close relationship between program and fiscal staff. Client lists reviewed by FSS for StanWORKs funds first. Coordinated Case Plan.

Outcomes: Necessary services are provided to the clients that need them at the lowest county cost producing maximum county cost avoidance.

- FY 2013-2014 reflects 34% utilization of StanWORKs funds for CWS “linked” cases

Braided Funding Partnerships

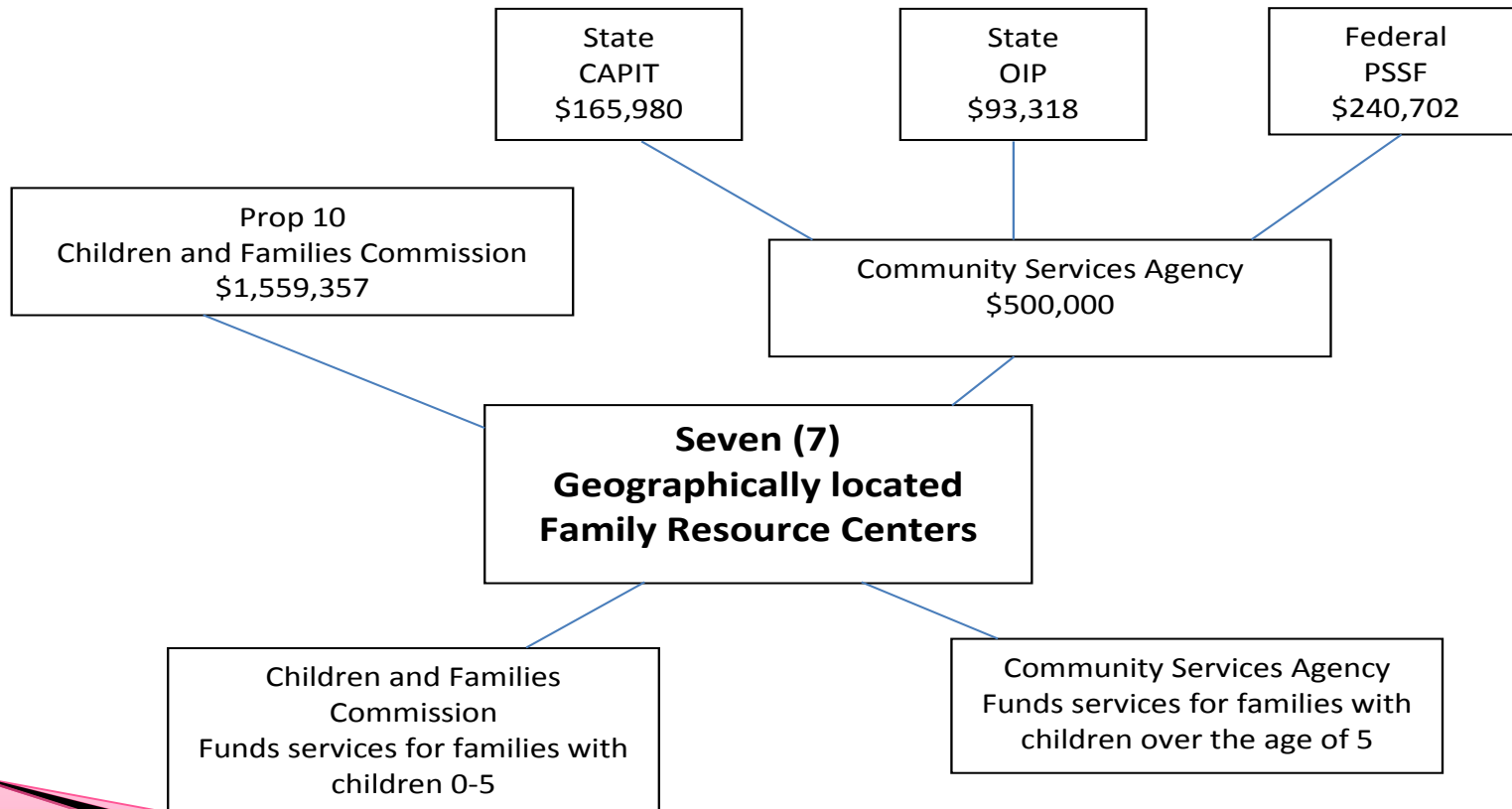
- ▶ Partnership to combine resources with other entities to serve a common customer population
- ▶ Contract/MOU based agreements
 - define the model
 - governance
 - resource contributions
 - Fiscal Lead
- ▶ Can include multiple public and/or private entities
- ▶ Example:
 - Differential Response with Children & Families Commission and local CBO Family Resource Centers

Differential Response

- ▶ **Vision/Mission:** Improved Safety Net for Children at risk of abuse and neglect in our community
- ▶ **Customer Needs:** Family Resource Centers to provide family support services at the community/neighborhood level.
 - A response to every Child Welfare referral to ensure children are safe (CWS) and families have access to services (FRC/CWS)
- ▶ **Service Design & Accounting Model:**
 - Stakeholder process developed three pathways for response to ER calls
 - FRC's since 2005: prevention; early intervention & support
 - Cost reimbursed services for children 0–5 is from Prop 10; 6 and above is Prevention Funding.
- ▶ **Outcomes:** Families are supported and safe in communities
 - Reduce incidents of child abuse & maltreatment; Increase positive social support
 - Reduce repeat child maltreatment reports; Increase family resilience capacity

Differential Response

Stanislaus County Family Resource Center Partnership FY 2014/2015



Leveraging Public/Private Funds

- ▶ 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
- ▶ Contract/MOU based agreements to define the model, governance, resource contributions and Fiscal Lead
 - Can include multiple public and/or private entities
- ▶ Federal Funding Matrix– Allowable Usage of Local Match Funds
- ▶ Examples:
 - Sober Living Environment Services
 - Family Justice Center

Sober Living Environment Services

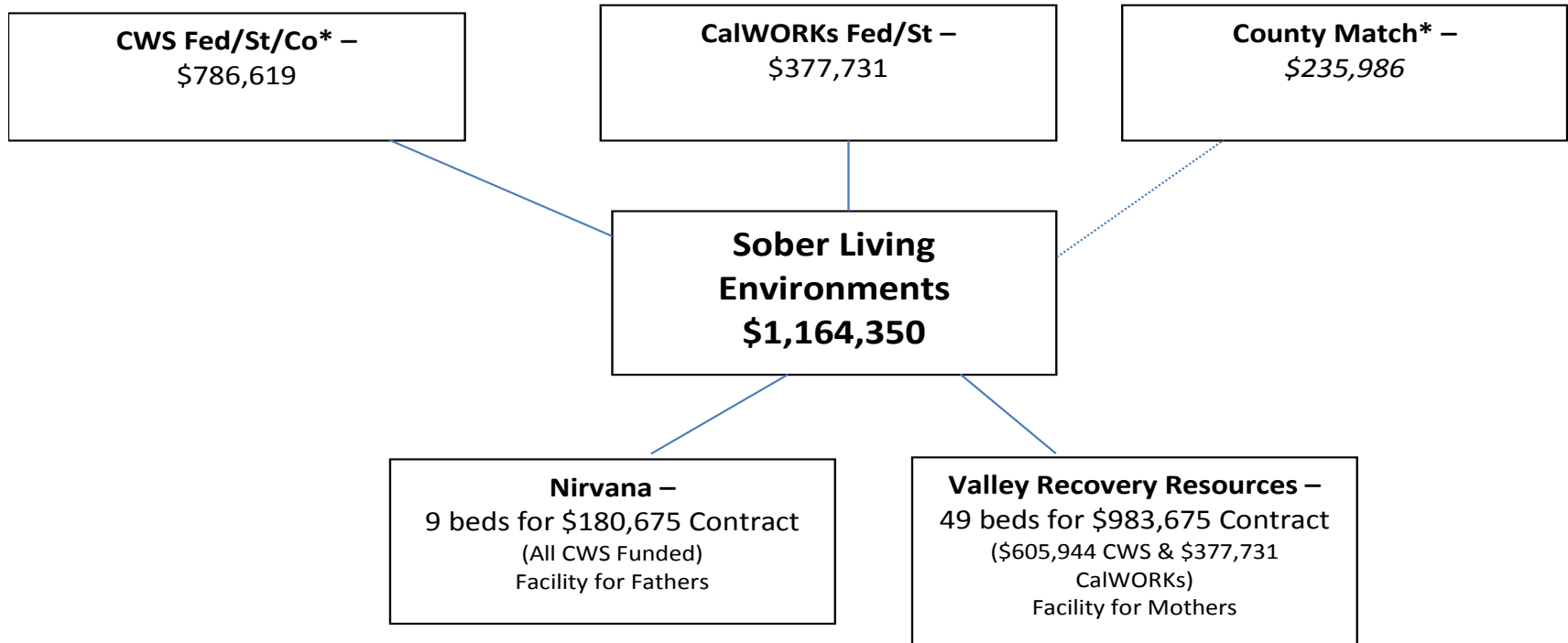
- ▶ **Vision/Mission:** Break the cycle of drug/alcohol dependency and restore families so children can remain safely at home
- ▶ **Customer Needs:** Access to Sober Living Environment Services
 - Economic Environment
 - CWS allocation unattainable due to lack of local match
 - CWS budget reductions; lost services & resources
 - Significant Impact to families and children
- ▶ **Service Design & Accounting Model:**
 - Concerned Citizens: Offer of private contributions as local match
 - Board of Supervisors commitment
 - Establishment of Non-profit & Public -Private partnership
- ▶ **Outcomes:** Over \$3 million accessed in total CWS funding. Staffing restored; improved case management; Capacity has grown; 60 families each month avoid OHP

Sober Living Environment Services

Stanislaus County

Sober Living Environments Partnership

FY 2014/2015



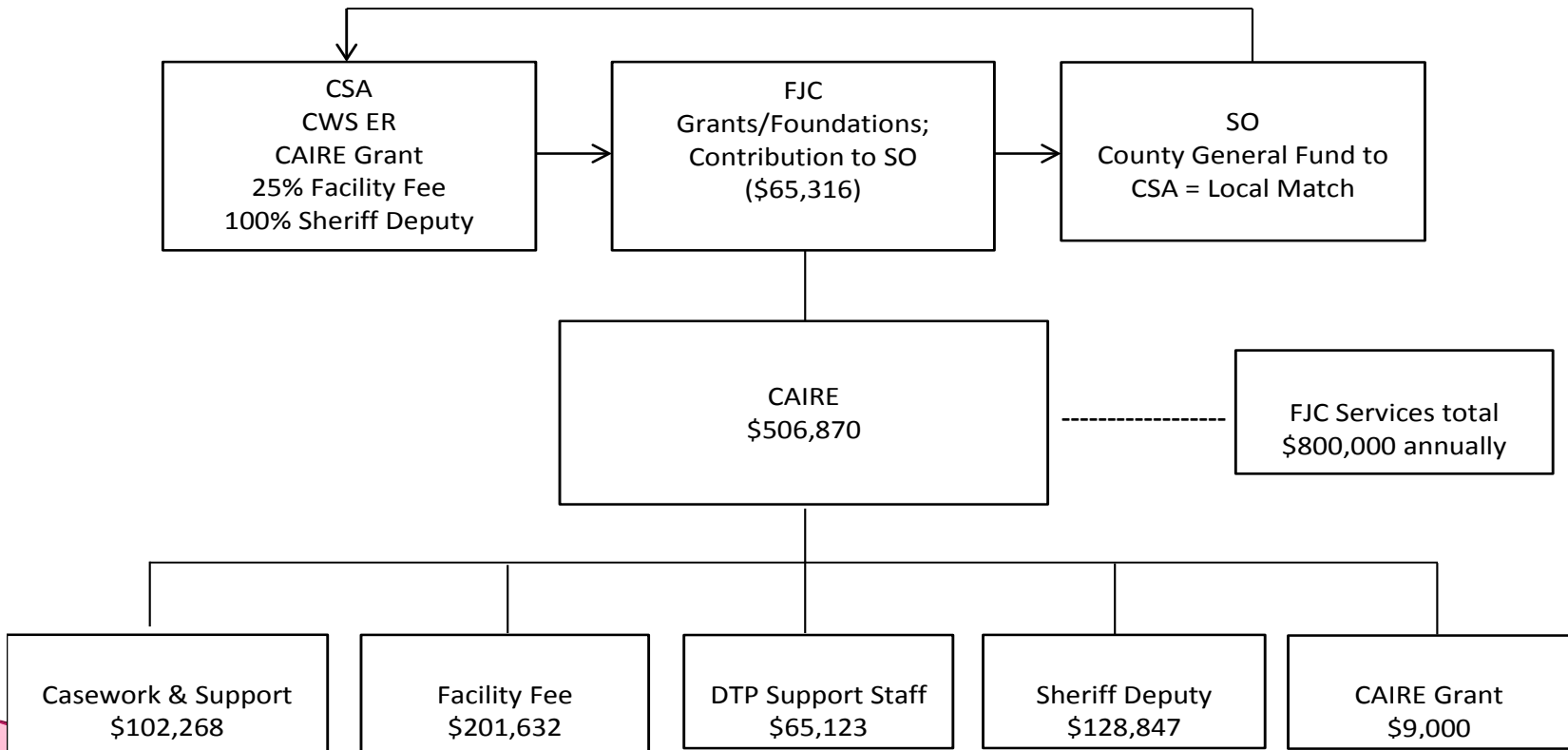
*Contracted local match contributions by each contractor are donated in support of these sober living environment contracts. Match contributions are equivalent to 30% local match requirement for costs claimed to CWS funding. County match is 30% of CWS funds. Local match provided by existing contractors consists of vendor private pay revenue and vendor local fundraising revenue.

Family Justice Center

- ▶ **Vision/Mission:** One-stop center offering help and hope for victims and survivors of domestic violence, sexual assault, child abuse and elder abuse.
- ▶ **Customer Needs:** Services to meet the individual needs of victims.
- ▶ **Service Design & Accounting Model:**
 - Stakeholder process began with DA as lead; now Non Profit
 - CSA operates the Child Advocacy Center or “CAIRE Center” co-located within the FJC
 - Model leverages CWS funding where applicable, braids with other Government agencies and provides local match through a three way agreement between Social Services, Sheriff & FJC
- ▶ **Outcomes:** Safety Plans for 133 adults ; Services/Support for 845 children; CAIRE Interviews for 187 children

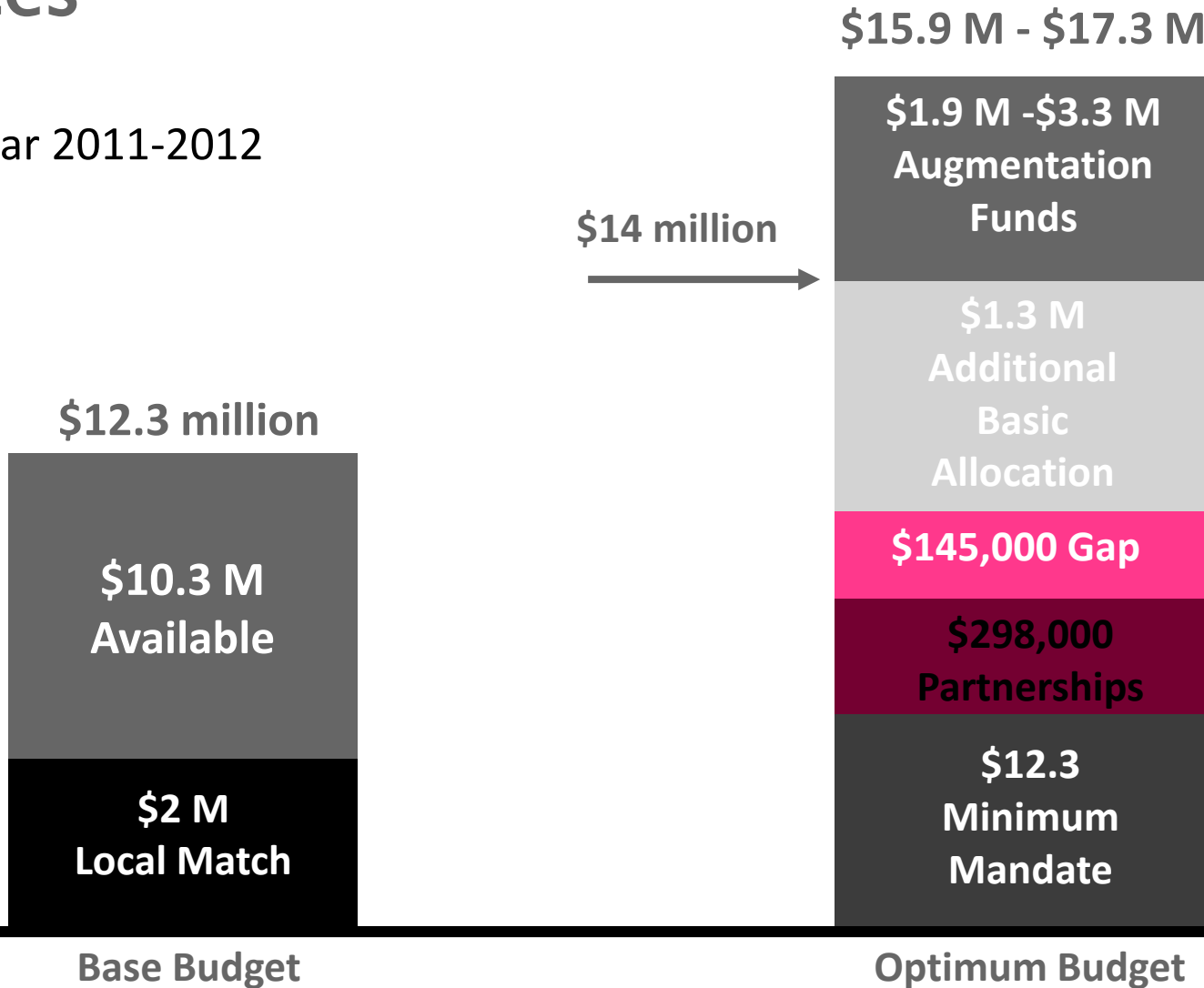
Family Justice Center

**Stanislaus County
Child Abuse Interview, Referral, and Evaluation (CAIRE) Center
Family Justice Center (FJC)
Sheriff's Office (SO)
FY 14/15**

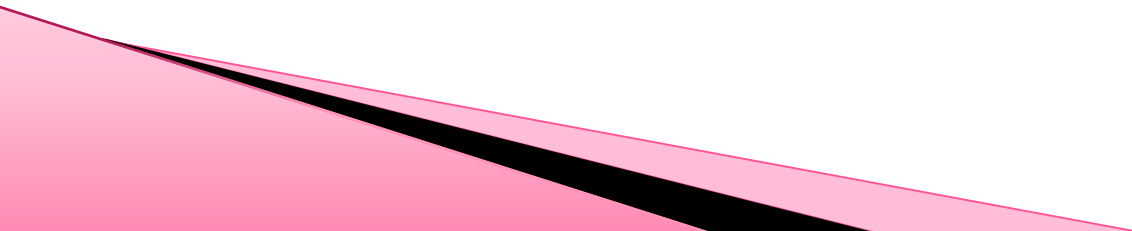


Leveraging Donor Funds for Child Welfare Services

Fiscal Year 2011-2012



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
 - ▶ Most flexibility lies in the programs that are both 1990–1991 and 2011 realigned
 - ▶ Evolving opportunities as more becomes known
- 

Enhancing Program Resources to Benefit Service Outcomes

- ▶ Creative Financial Models can be shared, improved and changed to support individual County goals for the best service outcomes.
 - ▶ New opportunities in the future.....
- 