



County of Monterey

Item No.

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: RES 23-110

June 27, 2023

Introduced: 6/14/2023

Current Status: Agenda Ready

Version: 1

Matter Type: BoS Resolution

Adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations (operating transfer out) and revenues by \$2,452,401 for 2011 Realignment Fund 022, Appropriation Unit SOC011 FY 2022-23 Adopted Budget (4/5ths vote required); and
- b. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations of \$2,452,401, financed by an operating transfer in for Out of home Care Fund 001, Appropriation Unit SOC001-8255 for FY 2022-23 Adopted Budget (4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations (operating transfer out) of \$10,000,000, financed by fund balance for 1991 Social Services Realignment/CalWORKs Fund 025, Appropriation Unit SOC012 FY 2022-23 Adopted Budget (4/5ths vote required); and
- d. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations of \$9,018,537, increase revenues of \$4,018,537, and financed by an operating transfer in of \$5,000,000 for CalWORKs Fund 001, Appropriation Unit SOC001-8252 for FY 2022-23 Adopted Budget (4/5ths vote required); and
- e. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to decrease revenues of \$5,000,000 and increase operating transfer in of \$5,000,000 for Social Services Fund 001, Appropriation Unit SOC005-8262 for FY 2022-23 Adopted Budget (4/5ths vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations (operating transfer out) and revenues by \$2,452,401 for 2011 Realignment Fund 022, Appropriation Unit SOC011 FY 2022-23 Adopted Budget (4/5ths vote required); and
- b. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations of \$2,452,401, financed by an operating transfer in for Out of home Care Fund 001, Appropriation Unit SOC001-8255 for FY 2022-23 Adopted Budget (4/5ths vote required); and
- c. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations (operating transfer out) of \$10,000,000, financed by fund balance for 1991 Social Services Realignment/CalWORKs Fund 025, Appropriation Unit SOC012 FY 2022-23 Adopted Budget (4/5ths vote required); and
- d. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to increase appropriations of \$9,018,537, increase revenues of \$4,018,537, and financed by an operating transfer in of \$5,000,000 for CalWORKs Fund 001, Appropriation Unit SOC001-8252 for FY 2022-23 Adopted Budget (4/5ths vote required); and
- e. Authorize and direct the Auditor-Controller to amend the Fiscal Year 2022-23 Adopted Budget to decrease revenues of \$5,000,000 and increase operating transfer in of \$5,000,000 for Social Services Fund 001, Appropriation Unit SOC005-8262 for FY 2022-23 Adopted Budget (4/5ths vote required).

SUMMARY/DISCUSSION:

In preparation for the FY 2022-23 Year-End Close, the Department of Social Services is requesting increased appropriations and revenues of \$12,452,401. There are three elements to this increased appropriation request: a) \$2,452,401 in Fund 022, Appropriations Unit SOC011 for the 2011 Social Services Realignment Fund; b) \$10,000,000 in Fund 025, Appropriations Unit SOC012 for the Social Services Health & Welfare 1991 Realignment Fund; and c) \$12,452,401 in operating transfers to Social Services Fund 001, Appropriations unit SOC005, and to CalWORKS/Out of Home Care Fund 001, Appropriations Unit SOC 001.

The increase of \$2,452,401 in Fund 022, Appropriation Unit SOC011 (2011 Social Services Realignment) is funded by growth received. These funds are needed to offset the costs of the 6.63% State mandated COLA in the Foster Care and Adoptions programs and also the rising costs for high-cost placements. The appropriation increase in 2011 Social Services Realignment allows the Department to do an operating transfer to the General Fund to fund the increase in appropriations in Out of Home Care Fund 001, SOC001-8255.

The increase of \$10,000,000 in Fund 025, Appropriations Unit SOC012 (Social Services 1991 Health & Welfare Realignment) is funded by available fund balance from prior year revenues. 1991 Realignment is made up of two parts: 1) \$5 million of discretionary funding; and 2) \$5 million of CalWORKs funding.

\$5 million of Social Services 1991 Realignment discretionary available fund balance will be used to cover delayed Social Services revenues earned but not received by the August accrual period for those revenues that are not grant-related. This funding can be used for programs like CalWORKs, CalFresh, Adoptions, Foster care, and In-home Supportive Services. The appropriation increase in Social Services 1991 Realignment funding allows the Department to do an operating transfer to the General Fund 001, Appropriations SOC005 where it is already appropriated in Fund 001-SOC005-8262 with revenue and the Department is requesting a decrease in revenue and an increase in the operating transfer in from Fund 025.

The second \$5 million of Social Services 1991 Realignment non-discretionary available fund balance can only be used for the CalWORKs entitlement program that provides temporary cash assistance for low-income families. These funds will be used to assist in funding mandated grant increase of 11% and an additional (temporary) grant increase of 10% that will occur from October 2022 thru September 2023, besides the increase in caseload growth that we are currently experiencing. Over the last 4 months, caseload for this entitlement program has increased by 3,621 and in comparison, to last fiscal year, caseload has increased 12.67% and costs have increased 27.76%. The appropriation increase in Social Services 1991 Realignment (CalWORKs non-discretionary) fund balance allows the Department to do an operating transfer to the General Fund 001, Appropriations Unit SOC001 where an increase in appropriations, revenues, and an operating transfer in is requested by the Department.

OTHER AGENCY INVOLVEMENT:

Due to late submission of this Board Report, the CAO Budget and Analysis Division was not provided adequate time to fully review for potential fiscal, organizational, policy, or other implications to the County of Monterey.

The Department received approval to bypass the Board of Supervisor's Budget Committee due the item is time sensitive.

FINANCING:

The Department is requesting an increase in appropriations as an operating transfer out and revenues of \$2,452,401 for Fund 022, 2011 due to growth received but not budgeted in Fund 022, Appropriations Unit SOC011 FY 2022-23 Adopted Budget. in the Social Services 2011 Realignment fund which is funded by sales tax realignment. The appropriation increase in 2011 Social Services Realignment allows the Department to do an operating transfer to the General Fund to fund the increase in appropriations in Out of Home Care Fund 001, SOC001-8255 to cover the increased grant increases and the rising costs of some high-cost placements. This will leave an estimated balance by June 30, 2023 of \$3,686,735.

The increase of \$10,000,000 in Fund 025, Appropriations Unit SOC012 (Social Services 1991 Health & Welfare Realignment) is funded by available fund balance from prior year revenues for \$5 million each for discretionary and non-discretionary use. This leaves an estimated balance in Fund 025 of \$1,625,640 of discretionary funding and \$6,461,056 of non-discretionary CalWORKs funding. The appropriation increase in Social Services 1991 Realignment funding allows the Department to do an operating transfer to the General Fund 001, Appropriations SOC005 as an operating transfer in for \$5 million, \$4,018,537 of Federal revenues offset by \$9,018,537 in appropriations. These funds will be used to assist in funding mandated grant increase of 11% and an additional (temporary) grant increase of 10% that will occur from October 2022 thru September 2023, besides the increase in caseload growth that we are currently experiencing.

Approval of these recommendations have no changes to the Department's General Fund Contributions.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This action correlates to the Administration and Health & Human Services Strategic Initiatives adopted by the Board of Supervisors by allowing the Department to appropriate unspent funding from Federal and State resources for social services programs.

Check the related Board of Supervisors Strategic Initiatives:

- ☐ Economic Development
- ☒ Administration
- ☒ Health & Human Services
- ☐ Infrastructure
- ☐ Public Safety

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Approved by: Lori A. Medina, Director x4430

Attachments: Resolution

Attachments on file with the Clerk of the Board.