



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Report

Legistar File Number: 17-0577

June 20, 2017

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Current Status: Agenda Ready

Matter Type: General Agenda Item

Approve and authorize the Director of the Department of Child Support Services (DCSS) to make arrangements for payment of FY 2016-17 Enterprise Resource Planning (ERP) upgrade cost in the amount of \$176,199 by June 30, 2017 with the transfer of funds from 001-2250-8018-6603 to Auditor-Controller 478-1110-8479-7301-AUD008.

RECOMMENDATION:

Approve and authorize the Director of the Department of Child Support Services (DCSS) to make arrangements for payment of FY 2016-17 Enterprise Resource Planning (ERP) upgrade cost in the amount of \$176,199 by June 30, 2017 with the transfer of funds from 001-2250-8018-6603 to Auditor-Controller 478-1110-8479-7301-AUD008.

SUMMARY/DISCUSSION:

DCSS receives a stream of funding, on an annual basis, by California Department of Child Support Services (State) at the beginning of the fiscal year, July 1st and of which funds must be expended by June 30th. Otherwise, funds not spent will be returned to the State General Fund. DCSS budgeted the FY 2016-17 ERP upgrade costs in the amount of \$154,328 for FY 2016-17 based on information provided by the Auditor-Controller's Office, December 2015; however the amount as of January 3, 2017 is \$176,199.

On June 21, 2016, the Monterey County Board of Supervisors (Board) directed the County Budget Director and CAO's Office to find an alternative financing method for the ERP project, thereby relieving general fund departments from paying ERP charges until next fiscal year, 2017-18.

DCSS is requesting an exemption from this board order.

DCSS is requesting approval and authorization to pay the FY 2016-17 ERP upgrade out of its FY 2016-17 budget. Delaying the payment of ERP charges until FY 2017-18 will have a negative impact on DCSS operations as the department is operating at a bare minimum. To avoid a funding gap in FY 2017-18, the department has reduced four (4) positions since year 2016-17. Also, travel expenses and mandated advertising expenses have been greatly reduced.

If the department is not able to pay the ERP Upgrade costs of \$176,199 out of the FY 2016-17 budget, the State might determine the department does not require as much funding and thereby reduce the department's allocation in future years.

OTHER AGENCY INVOLVEMENT:

County Counsel and Auditor-Controller have reviewed and approved the request as to legality and fiscal provisions, respectively.

FINANCING:

The Child Support Program is a federally mandated, State supervised, county administered program where the federal program reimburses all direct and indirect program costs at 66% Federal Participation Rate and the State provides remaining 34% of local program cost. Estimated revenues related to this request are included in the DCSS adopted budget for FY 2016-17. The department is not requesting any monies from the County General Fund and no increase in appropriations is required.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES

The request to utilize the existing allocation authorized by the State Department of Child Support Services to fund FY 2016-17 ERP upgrade costs supports the Administration policy area and further promotes the department as an agency that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

Mark a check to the related Board of Supervisors Strategic Initiatives

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

Prepared by: Anne Chang, Finance Manager, x3664

Approved by: Jo Ellen Holtzworth, Director of Child Support Services, x8721

- Attachments:
- a) Board Order 06-21-2016
 - b) Revised Attachment A, page 1, June 1-2, 2016 Budget Hearings, Board of Supervisors Modifications to the Fiscal Year 2016-17 Recommended Budget
 - c) ERP Systems Annual Cost Allocation - Staff Costs & CGI Maintenance Agreement fees, January 3, 2017
 - d) ERP Systems Annual Cost Allocation - Staff Costs & CGI Maintenance Agreement fees, December 2015