



# Monterey County

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## Board Report

Legistar File Number: BC 18-130

October 31, 2018

**Introduced:** 10/19/2018

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** Budget Committee

- a. Support approving an increase in appropriations and revenues in the amount of \$8,357,931 in the FY 2017-18 Modified Budget for the Department of Social Services, Fund 25-5010-8425-SOC012, where the financing source is 1991 H&W Realignment - Social Services;
- b. Support authorizing the Auditor-Controller to amend the budget for Social Services, Fund 025-5010-8425-SOC012, for FY 2017-18 by increasing appropriations and revenues in the amount of \$8,357,931, where the financing source is 1991 H&W Realignment - Social Services.

### RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support approving an increase in appropriations and revenues in the amount of \$8,357,931 in the FY 2017-18 Modified Budget for the Department of Social Services, Fund 25-5010-8425-SOC012, where the financing source is 1991 H&W Realignment - Social Services;
- b. Support authorizing the Auditor-Controller to amend the budget for Social Services, Fund 025-5010-8425-SOC012, for FY 2017-18 by increasing appropriations and revenues in the amount of \$8,357,931, where the financing source is 1991 H&W Realignment - Social Services.

### SUMMARY/DISCUSSION:

Funding for the CalWORKs cash assistance payments through the Department of Social Services (DSS) is funded by federal, state and realignment revenues, with a portion of the federal and state funds advanced in the previous month. Over the years, counties have been required to pay an increased share of the CalWORKs assistance costs. The increased costs have been offset by revenues from the CalWORKs MOE Subaccount, Realignment Family Support Subaccount, the Child Poverty and Family Supplemental Support Subaccount, and AB 85 County Repayments. This revenue is recorded in Fund 025 - H&W Realignment.

In preparation for the FY 2017-18 year-end, DSS reconciled the advanced funds and realignment revenues. An adjustment is needed to correct the shares of costs between federal, state, and realignment revenues, but DSS has insufficient appropriations in Fund 025 - H&W Realignment to make the necessary operating transfer to Fund 001. This transaction is a technical adjustment and there is no change to DSS' bottom-line revenues for FY 2017-18, however fund balance in Fund 025 will be reduced by \$8,513,500. This adjustment is to reclassify the revenue recorded from CalWORKs federal and state funds to CalWORKs realignment funds. These realignment funds were provided to counties to fund CalWORKs assistance payments and are restricted for this use only. DSS worked with the Auditor-Controller's Office (ACO) to determine the best method to accomplish this adjustment.

### OTHER AGENCY INVOLVEMENT:

The Auditor-Controller coordinated with DSS for this action.

FINANCING:

The recommended action requires an increase in both appropriations and revenues in DSS, Fund 025-5010-8425-SOC012 in the amount of \$8,357,931 in the FY 2017-18 Adopted Budget. This action does not change the bottom-line revenue of the Department; however, it does result in the reduction of the prior year fund balance in Fund 025 in the amount of \$8,513,500. There is no additional impact to the Department's County General Fund Contribution.

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