



County of Monterey

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

Board Report

File #: RES 18-155, **Version:** 1

Consider a Resolution to:

- a. Approve 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 025-5010-8425-SOC012, where the financing source is 1991 H&W Realignment - Social Services (4/5th vote required); and
- b. Authorize 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 (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:

- a. Approve 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 025-5010-8425-SOC012, where the financing source is 1991 H&W Realignment - Social Services (4/5th vote required); and
- b. Authorize 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 (4/5th vote required).

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.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This proposed action correlates to the Administration Strategic Initiative adopted by the Board of Supervisors by allowing the Department to make an operating transfer so sufficient appropriations are available to necessary operating transfers for FY2017-18 year-end close.

Check the related Board of Supervisors Strategic Initiatives:

Economic Development

X Administration

Health & Human Services

Infrastructure

Public Safety

Prepared by: Melissa A. Mairose, Finance Manager II, 755-4433

Approved by: Henry Espinosa, Acting Director Department of Social Services, x4430

Attachments: Resolution

Attachments on file with the Clerk of the Board