



Colusa, Sutter and Yolo Regional Child Support Agency Leadership Advisory Committee

To: RCSA Leadership Advisory Committee
From: Amanda Battles, Assistant Director
Subject: Financial Update (Agenda Item #7)
Date: May 1, 2024

SFY 2023-24 Financial Update

We anticipate that the Regional Agency will come in under budget for FY 2023-24. FY 2023-24 was the first year that we budgeted to our Federal Performance Incentive Funding (FPIF), allowing us to budget \$250,000 higher than our allocation. As discussed in our April 2023 Financial update, budgeting this way allowed us to maintain 66 FTEs for 2023-24 but we anticipated that it might be likely that we would not need to use our FPIF with sufficient salary savings. Current projections indicate that we will fully spend our regular allocation but come in under budget by approximately \$250,000, allowing us to re-budget to our FPIF in FY 2024-25.

In FY 2023-24 we have had some impactful changes to financial operations. Yolo County implemented a new financial system and our Business Services Manager over finance retired in July of 2023. We underfilled that position with a Business Services Supervisor. We have experienced some long-term absences in key financial positions. We are currently going through a change with Sutter County as they transition to a new financial platform as well. We have great people working with our agency. We continue to modify our processes to align with new ways of doing business.

SFY 2024-25 Financial Update

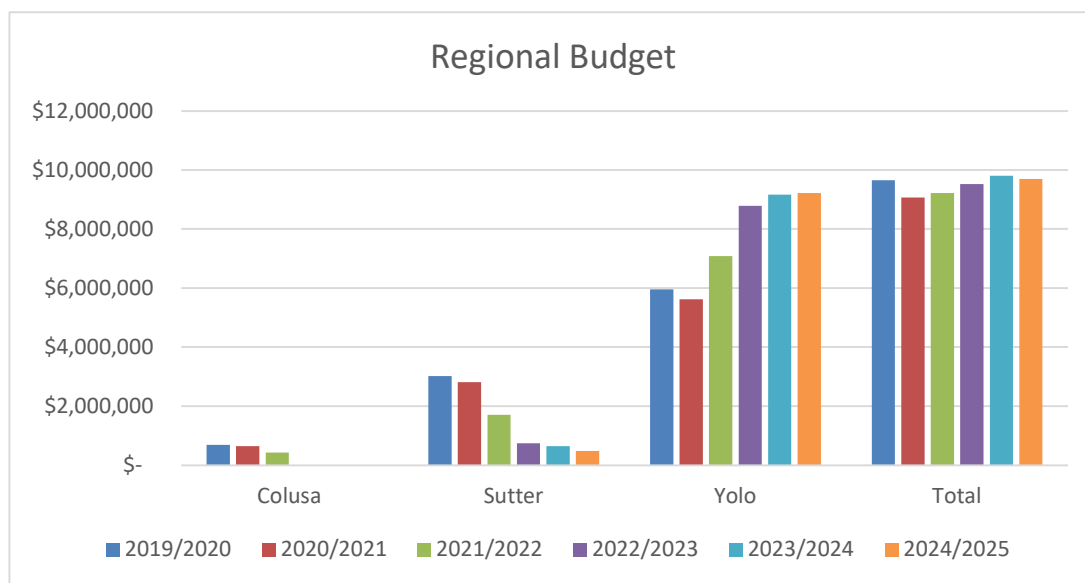
On January 10, 2024, the California Department of Child Support Services (DCSS) issued CSSI Letter 24-01 Administrative and Electronic Data Processing Initial Allocations for State Fiscal Year 2024-25 (Attachment A). This letter, attached, reflects no increase or decrease in the Regional Agency's allocation. Final allocation letters will be issued by CA DCSS, typically after the state budget is signed.

As previously mentioned, we budgeted in FY 2024-25 to \$250,000 in FPIF. We recently learned that our FPIF was increased by \$50,000 to a total of \$300,000. While we did not budget to the full FPIF this fiscal year available to us, it still allows for additional flexibility to our agency if

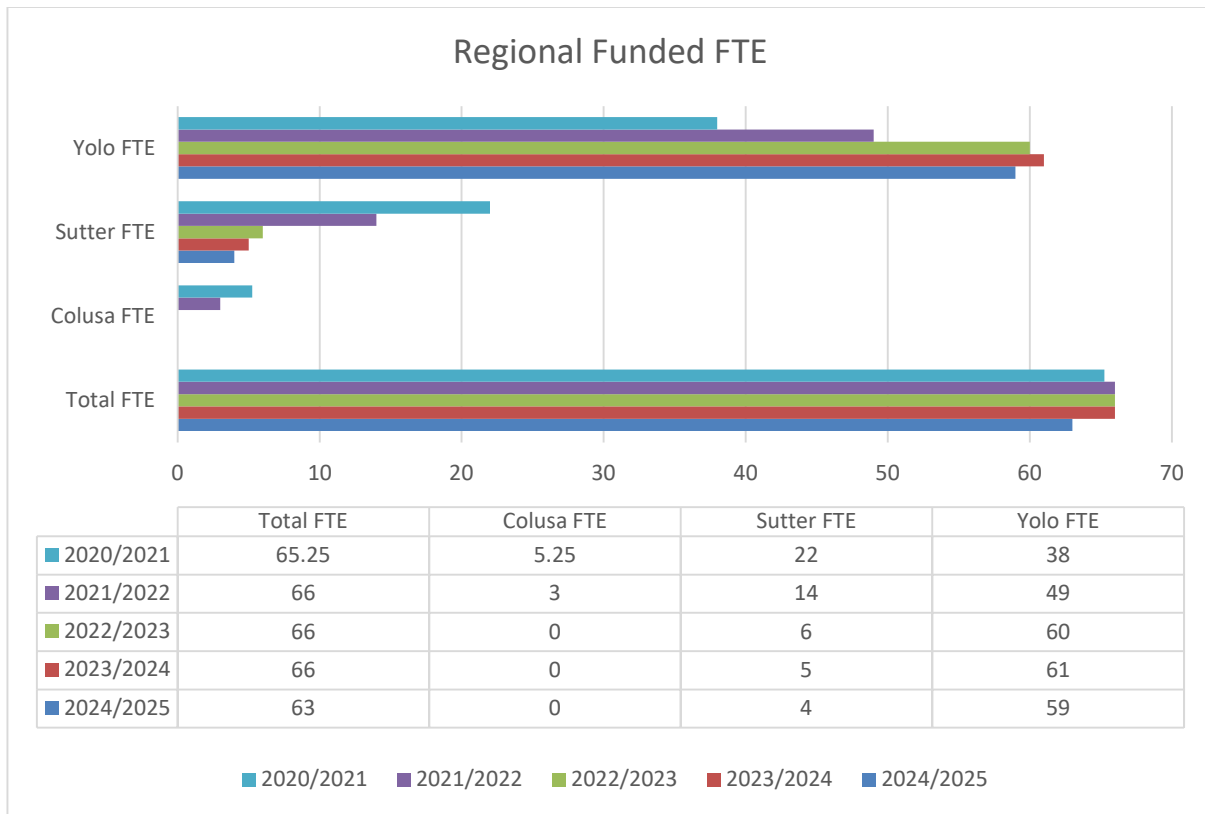
needed.

Reductions to FTEs in the proposed FY 2024-25 budgets were unavoidable due to rising costs. A total of 3 vacant FTE's are being unfunded or eliminated out of the Yolo budget, 2 Attorney's and one Admin Clerk I/II, bringing us to a total of 63 funded FTE's. In April of 2023 we discontinued shared services with Glenn County for attorney services. We were splitting the cost of one full time limited term attorney. This position and funding that we received from Glenn are reduced in the FY 2024-25 Budget. Additionally, the department had two Assistant Directors, one of which was also the Lead Attorney. Upon the retirement of the Lead Attorney Assistant Director, the position is being eliminated. Another one of our long-time existing Attorneys was promoted to the role of Lead Attorney, who is not also acting as Assistant Director. The department now has 2 full-time attorneys only. The Admin Clerk I/II is vacant and unfunded. There are some pending unknown costs that could allow us to fund that position depending on the final county budgets.

Departmental proposed budgets have been submitted to Sutter and Yolo counties totaling \$9,690,576 for the region. The chart below shows how our county budgets have changed over time as we have moved through our regional journey.



The chart below shows how the regional agencies funded full time equivalents are changing over time. Four Sutter County employees have not yet chosen to transition to Yolo County and have until December of 2025 to do so.



Ongoing Funding Efforts

In 2018, the Child Support Directors Association (CSDA) worked in collaboration with DCSS to establish a budget methodology for the allocation of program funds which considers caseload variations between Local Child Support Agencies (LCSA) and average FTE costs to provide the minimum resources to each local agency to complete mandated activities and to meet minimum federal and state management requirements. This methodology was ultimately adopted, and the plan was to roll out full implementation over several years, with full implementation by SFY 2023-24. The California program did not see full implementation in 2023-24 and with deficits reported in the January Governor’s Budget we do not expect additional funding for Child Support in 2024-25. We do not have reason to believe at this time that funding will be cut for the budget year. With policy changes that continue to impact the size of our caseload we anticipate that our funding may be negatively impacted in future years. We have closed over 500 cases in this fiscal year related primarily to foster care policy change. We are not considered overfunded in FY

2024-25, based on the latest funding calculator tool that DCSS provides us to run “what if” scenarios but of course that can change over time. All California counties are impacted by the policy changes and caseload reductions, not just our agency.

Last year we shared information about regional agency funding advocacy efforts given the unique challenges of running a regional operation. The ask was to fund regional agencies by county, as opposed to running the funding calculator for a single agency. The DCSS Director and CFO did not support this approach and pointed to the efficiencies gained in regionalizing in addition to concerns about cost effectiveness. As a result, the regional directors are taking a different approach recognizing that regional LCSAs provide services in multiple jurisdictions. The budget methodology assumes a fixed rate of 20.9% for Operating Expenses & Equipment (OE&E). That percentage was developed in 2018 based on the costs of running a single county LCSA, however that percentage is applied equally to all LCSA’s. DCSS did an analysis of OE&E actual expenditures and determined that regionalized LCSA costs were closer to 23-25%. The regional Directors are asking to be funded using a higher OE&E percentage. If this approach gets traction, it will not have an impact in FY 2024-25 allocations but instead could impact future years allocation.

CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES

P.O. Box 419064, Rancho Cordova, CA 95741-9064



January 10, 2024

CSSI LETTER: 24-01

ALL IV-D DIRECTORS
ALL LCSA POLICY COORDINATORS

SUBJECT: ADMINISTRATIVE AND ELECTRONIC DATA PROCESSING
INITIAL ALLOCATIONS FOR STATE FISCAL YEAR 2024-25

REFERENCE: Pursuant to the Administration for Children and Families, Notice of Grant Award, local child support agencies (LCSAs) are notified that the federal award number for child support enforcement funds for state fiscal year (SFY) 2024-25 is 2401CACSES and the Catalog of Federal Domestic Assistance number is 93.563.

PURPOSE: To provide LCSAs with their SFY 2024-25 initial administrative and electronic data processing (EDP) allocations to assist each LCSA with their planning efforts.

INFORMATION/BACKGROUND: The SFY 2024-25 proposed Governor's Budget released on January 10, 2024, for the Child Support Program, both the administrative and EDP allocations, remains unchanged from the SFY 2023-24 funding levels.

As a reminder, this is an initial planning allocation. Adjustments to the initial allocation will be made upon the passage of the annual Budget Act, effective July 1, 2024, or upon the Governor's signature of the Budget Bill. Final allocations will be distributed after the Budget Act for SFY 2024-25 has been passed.

The administrative and EDP annual budget requests for SFY 2024-25 are due to CA DCSS by June 15, 2024. A separate notice will be sent out to LCSAs when the annual budget requests for SFY 2024-25 become available in the Budget and Expenditure Claiming Application (BECA).

RELEVANT MATERIAL/ATTACHMENTS:

- Attachment I: Outlines funding for administrative expenses, including the continuation of \$18.7 million in Revenue Stabilization funding, the LCSA additional funding of \$8.8 million, the LCSA Augmentation for SFY 2019-20, the COVID-19 Temporary Reduction for SFY 2020-21, additional funding of \$56 million for SFY

Reason for this Transmittal

- State Law, Regulation and/or Change
 Federal Law, Regulation Change
 Court Order or Settlement Change
 Clarification requested by One or More Counties
 Initiated by DCSS

2021-22, additional funding of \$59 million for SFY 2022-23, additional funding of \$35.8 million for SFY 2023-24, and unchanged funding for SFY 2024-25.

- Attachment II: Displays the initial EDP funding allocations for each LCSA.
- Attachment III: Displays the Regional Administrator and LCSA Fiscal Administrative Analyst assignments.
- Attachment IV: Displays the SFY 2024-25 LCSA Funding Calculator.

CONTACT: If you have any questions or concerns regarding the initial administrative or EDP allocations, please contact Carissa Hernandez at (916) 464-5015 or your assigned LCSA Fiscal Administrative Analyst.

Sincerely,

o/s

IRENE BRIGGS
Deputy Director
Administrative Services Division

Attachments

SFY 2024-25 Initial Administrative Allocation

	Base	Revenue	LCSA	LCSA	LCSA	LCSA	LCSA	LCSA	LCSA	LCSA
	Admin Allocation	Stabilization Augmentation	Additional Funding	SFY 2019-20 Augmentation	SFY 2020-21 COVID-19 Reduction	SFY 2021-22 Additional Funding	SFY 2022-23 Additional Funding	SFY 2023-24 Additional Funding	SFY 2024-25 Additional Funding	SFY 2024-25 Initial Allocation
Statewide Total	697,637,887	18,735,000	8,823,531	56,039,054	-56,039,054	56,039,001	59,131,687	35,800,001	0	876,167,108
Alameda	25,016,301	768,634	65,116	1,451,768	(1,509,646)	1,314,443	1,563,144	75,513	-	28,745,272
Butte	8,855,398	225,252	-	-	(544,839)	-	-	350,807	-	8,886,618
Central Sierra	4,749,501	191,278	-	-	(691,709)	-	-	47,388	-	4,296,458
Colusa/Yolo	6,244,626	180,865	-	-	(378,063)	114,599	68,236	6,906	-	6,237,169
Contra Costa	17,870,997	460,647	161,917	901,976	(1,141,195)	472,643	977,335	-	-	19,704,320
Del Norte	2,157,387	91,754	-	-	(314,880)	-	-	-	-	1,934,261
Eastern Sierra	1,363,820	25,775	-	-	(83,376)	33,571	-	85,844	-	1,425,634
El Dorado	4,578,589	168,530	-	-	(531,836)	-	-	121,318	-	4,336,601
Fresno	20,871,646	710,470	920,488	5,821,381	(1,572,197)	4,525,985	4,010,075	1,800,045	-	37,087,892
Glenn	761,109	29,624	6,991	75,714	(45,561)	233,416	367,829	92,751	-	1,521,873
Humboldt	4,937,924	213,326	-	-	(721,175)	-	-	-	-	4,430,075
Imperial	4,258,337	121,409	69,690	368,462	(283,476)	585,736	402,224	247,887	-	5,770,270
Kern	21,018,814	551,506	831,116	4,545,278	(1,455,364)	3,020,996	3,183,917	2,308,907	-	34,005,170
Kings	4,013,652	120,015	20,082	40,356	(246,773)	231,521	935,020	-	-	5,113,872
Lake	2,541,178	97,559	-	-	(369,423)	-	-	117,128	-	2,386,442
Lassen	1,015,898	22,124	-	-	(62,281)	25,618	33,543	40,018	-	1,074,920
Los Angeles	139,551,887	2,888,017	1,940,316	17,838,512	(9,133,700)	20,070,111	18,824,623	11,737,210	-	203,716,976
Madera	2,691,383	151,013	30,367	247,694	(172,823)	624,082	816,641	170,784	-	4,559,143
Marin	3,578,279	94,986	-	-	(514,257)	-	-	-	-	3,159,008
Mariposa	682,132	20,311	-	-	(98,342)	1,235	29,285	148,152	-	782,773
Mendocino	2,940,024	87,172	-	-	(423,807)	-	-	-	-	2,603,389
Merced	9,154,067	222,820	114,795	211,053	(546,436)	660,299	693,246	437,537	-	10,947,381
Monterey	10,489,652	321,278	-	223,931	(662,092)	506,381	1,233,606	285,206	-	12,397,962
Napa	3,913,793	107,984	-	-	(563,049)	-	-	36,907	-	3,495,635
Orange	52,116,912	1,390,597	-	-	(4,515,619)	-	100,728	-	-	49,092,618
Placer	5,915,331	115,644	12,773	153,829	(328,165)	500,107	220,800	118,250	-	6,708,569
Plumas	816,661	23,405	-	-	(50,404)	-	17,492	70,430	-	877,584
Riverside	32,983,516	908,997	1,299,389	5,434,914	(2,390,401)	4,008,566	6,566,256	3,444,972	-	52,256,208
Sacramento	31,072,429	801,557	1,174,960	4,706,219	(2,118,217)	4,517,760	2,192,527	4,294,873	-	46,642,108
San Bernardino	37,001,874	1,142,037	1,493,201	8,160,909	(2,659,638)	5,528,735	6,634,203	741,486	-	58,042,806
San Diego	44,283,452	950,624	-	1,119,595	(2,591,469)	2,793,332	4,634,114	3,404,292	-	54,593,940
San Francisco	11,688,070	349,323	-	-	(667,071)	464,647	90,890	-	-	11,925,860
San Joaquin	14,079,980	409,049	505,849	3,080,361	(1,002,178)	2,447,425	2,467,019	1,955,049	-	23,942,555
San Luis Obispo	4,293,262	145,859	-	-	(621,477)	-	-	149,212	-	3,966,856
San Mateo	10,529,142	487,328	-	-	(1,486,215)	-	29,419	409,847	-	9,969,520
Santa Barbara	8,652,935	318,981	-	-	(527,890)	835,592	311,795	1,165,511	-	10,756,925
Santa Clara	34,790,654	747,875	-	-	(4,975,394)	-	-	-	-	30,563,135
Santa Cruz/San Benito	8,293,240	196,462	-	-	(1,188,558)	-	-	-	-	7,301,144
Shasta	7,039,899	278,954	-	-	(408,351)	-	-	-	-	6,910,503
Sierra/Nevada	3,963,179	88,368	15,160	-	(569,339)	-	-	-	-	3,497,368
Siskiyou/Modoc	2,727,858	122,409	1,397	-	(399,233)	-	-	-	-	2,452,431
Solano	11,573,328	301,313	-	104,477	(704,828)	391,472	259,367	248,311	-	12,173,441
Sonoma	13,673,497	351,807	-	-	(1,963,543)	-	-	-	-	12,061,761
Stanislaus	14,357,079	350,829	159,924	1,001,635	(933,728)	707,417	1,145,345	-	-	16,788,501
Sutter	2,890,188	79,450	-	-	(174,728)	42,380	147,711	-	-	2,985,001
Tehama	1,926,743	77,266	-	1,909	(118,024)	205,543	91,868	218,022	-	2,403,327
Trinity	661,828	13,946	-	-	(39,761)	89,787	241,178	17,098	-	984,076
Tulare	14,986,026	577,425	-	-	(2,178,883)	-	-	938,953	-	14,323,521
Ventura	20,278,363	535,664	-	549,081	(815,947)	1,085,603	842,249	301,606	-	22,776,620
Yuba	3,786,047	97,480	-	-	(543,694)	-	-	211,781	-	3,551,614

Attachment II

SFY 2024-25 EDP Initial M&O Allocation

County	Initial EDP Allocation
Statewide Total	26,279,216
Alameda	1,146,487
Butte	364,663
Central Sierra	6,830
Colusa/Yolo	205,192
Contra Costa	437,449
Del Norte	53,000
Eastern Sierra	1,850
El Dorado	265,283
Fresno	1,197,928
Glenn	2,500
Humboldt	0
Imperial	104,042
Kern	688,851
Kings	59,160
Lake	54,575
Lassen	12,850
Los Angeles	4,431,509
Madera	119,204
Marin	146,722
Mariposa	700
Mendocino	70,836
Merced	233,052
Monterey	183,659
Napa	132,478
Orange	2,013,403
Placer	279,911
Plumas	2,892
Riverside	1,294,960
Sacramento	1,431,235
San Bernardino	1,365,927
San Diego	2,302,427
San Francisco	739,889
San Joaquin	524,412
San Luis Obispo	215,192
San Mateo	397,605
Santa Barbara	416,202
Santa Clara	1,535,985
Santa Cruz/San Benito	233,312
Shasta	343,543
Sierra/Nevada	197,133
Siskiyou/Modoc	52,130
Solano	450,241
Sonoma	694,600
Stanislaus	620,042
Sutter	6,714
Tehama	5,730
Trinity	0
Tulare	543,830
Ventura	620,515
Yuba	72,566