



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

To: RCSA Leadership Advisory Committee
From: Amanda Battles, Assistant Director
Subject: Budget and Allocation Update (Agenda Item #9)
Date: February 24, 2021

Background

Between 2002 and 2018, state and federal funding for the California Child Support program remained flat. Due to this and the absence of a budget methodology, Local Child Support Agencies (LCSA) have not only been inequitably funded but also had to absorb operating cost increases within existing funding for almost two decades. Through collaboration between the Child Support Directors Association (CSDA) and the California Department of Child Support Services (CA DCSS), in FY 2019-20, a new budget methodology for the program was established and funding was increased for the program by \$56.5 million. The intent was to add \$56 million new money each year for three years to fully fund California's Child Support program, starting with the most underfunded LCSAs. Our three LCSA's are not amongst the most underfunded and so did not receive an increase in funding. In FY 2020-21, not only was second year funding not issued, the first year's funding was withdrawn as a result of the COVID-19 related economic downturn. Although all counties did not receive new money in FY 2019-20, in FY 2020-21 the reduction was spread across all counties in an effort towards equity using the new budget methodology. This reduction resulted in the Colusa allocation being reduced by \$40,146, Sutter \$174,728, and Yolo by \$337,917 in the current year.

For FY 2020-21, the combined administrative and electronic data processing allocation for the three counties totals \$9,054,244. Each county budgeted separately by allocation. Based on the recently released initial planning allocation letter from CA DCSS, the FY 2021-22 allocation of the Regional Child Support Agency (RCSA) remains at the reduced amount totaling \$9,054,244. There is continued advocacy from CSDA and others to fully fund the program based on the new budget methodology. Final allocations will be distributed after the California Budget Act for SFY 2021-2022 has been passed, so after July 1, 2021. LCSA's have historically used the initial planning allocation for local budget planning.

Budget and Allocation

As noted in the MOU, we originally planned to start with one regional allocation issued to Yolo County commencing FY 2021-22. This plan involved significant intra county invoicing to ensure there were adequate funds in each county with child support related costs. After additional analysis and coordination with CA DCSS, we have since determined it will be more efficient to transition to a single Regional Allocation over time as opposed to all at once at the outset of the RCSA. The RCSA is budgeting



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with the regional allocation in mind but budgeting by county based on remaining budgeted expenses in Colusa and Sutter. Over time more expenses will be incurred by Yolo. As a result, the allocation that CA DCSS sends Yolo County will increase and the allocation sent to Colusa and Sutter will decrease.

In FY 2020-21, there is sufficient allocation to cover costs for all three counties in the RCSA. All hiring of new staff for the RCSA is being done out of Yolo county. Additionally, we have several Sutter employees who have already chosen to move to Yolo County. As a result, some of the Sutter allocation will need to be moved to Yolo to cover the associated salary and benefit costs that were originally budgeted and allocated to Sutter for 2020-21. CA DCSS is committed to working with us to balance the distribution of our allocations during this 5 year transition period.

Over the next five years while Colusa and Sutter staff continue to have the option to become Yolo employees or stay with their original counties, we will also work to move operational expenses, such as supplies, training, contracts, etc. to Yolo County.

Each of the county's budget processes and timing is a little different, but budget development is in process for all three. Requested budgets from departments are due to be submitted to Sutter and Yolo counties in early March and discussions with all three counties will continue over the next several months. The chart below shows the change in our allocations based on our reduction in funding for FY 2020-2021 and what we are currently estimating to allocate and budget for each county in FY 2021-2022.

Though allocation adjustments by county within the RCSA are being adjusted over time to properly cover the expenses of the RCSA, resources are still being shared at all three locations regardless of which county is paying for the expense.

	2019/2020 Allocation	2020/2021 Allocation (less COVID-19 reduction)	Estimated requested 2021/2022 Allocation	2020/2021 Budgeted funded FTE	2021/2022 Estimated FTE request
Colusa	\$682,320	\$642,174	\$420,147	5.25	3
Sutter	\$2,976,352	\$2,801,624	\$1,833,982	22	14
Yolo	\$5,948,363	\$5,610,446	\$6,800,115	38	49
Total	\$9,607,035	\$9,054,244	\$9,054,244	65.25	66