

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Community Services Agency

BOARD AGENDA # *B-2

Urgent Routine

AGENDA DATE February 25, 2014

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Designate the Realignment - Family Support Trust Fund as Interest Bearing for the Purpose of Receiving and Distributing 1991 Realignment Sales Tax Revenue Beginning January 2014 Pursuant to Assembly Bill 85 (AB85) for the Non-Federal Share of CalWORKs Grant Increases

STAFF RECOMMENDATIONS:

Authorize the Auditor Controller to designate the Realignment - Family Support Trust Fund as interest bearing for the purpose of receiving and distributing 1991 Realignment Sales Tax revenue beginning January 2014 pursuant to Assembly Bill 85 (AB85) for State funded CalWORKs Grant increases.

FISCAL IMPACT:

Welfare and Institutions Code Section 17600.1 (a)(5) requires Counties receiving 1991 Realignment revenue to establish and maintain local health and welfare trust funds to track the distribution of Sales Tax and Vehicle license fee revenue at the local level. Assembly Bill 85 of 2013 establishes the Family Support subaccount and the Child Poverty and Family Supplemental Support Subaccount at the state level and requires Counties establish an additional health and welfare trust fund and designate it for family support.
Continued on Page 2

BOARD ACTION AS FOLLOWS:

No. 2014-69

On motion of Supervisor Withrow, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Withrow, Monteith, and Chairman De Martini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT: Continued

The purpose of this trust fund and the State's dedication of 1991 realignment funds is to support the entire County share of cost and mitigate the State General Fund impact of CalWORKs grant increases beginning with a 5% COLA effective March 1, 2014. State Realignment Sales Tax revenue will be redirected to the Realignment - Family Support account at the State level from anticipated savings in the Realignment Health account as the result of the January 2014 implementation of Medi-Cal Expansion.

As a result of the AB85 requirement, in collaboration with the Auditor-Controller's Office the Community Services Agency is requesting the Realignment – Family Support Trust Fund be designated as local interest bearing. This designation is consistent with AB85 legislation and the related 1991 Realignment trust fund established for CalWORKs Maintenance of Effort. Both trust funds have been established for dedicated revenues to offset State General fund commitments. All risk to realignment shortfall for purposes of these accounts is borne by the State.

Appropriations and estimated revenues of \$1,452,951 to support the March 1, 2014 5% CalWORKs Grant increases are included in the Community Services Agency's Fiscal Year 2013-2014 Legal Budget. The intent of the Realignment - Family Support account is to fund the non-federal portion of the CalWORKs grant increases, there is no additional impact to the General Fund.

DISCUSSION:

1991 Realignment provides funding and transfers fiscal and programmatic responsibilities from the State to the Counties and provides counties a dedicated revenue stream for the County share of cost of mandated programs. The revenue stream consists of half-cent in State sales tax and vehicle license fees. 1991 Realignment is specific to certain Community Services Agency (CSA) realigned programs. 1991 Realignment revenue can be used to support only the county share of the 1991 CSA Realigned programs at Board of Supervisors direction.

Welfare and Institutions (W&I) Code Section 17600.1 (a)(5) requiring Counties receiving 1991 Realignment revenue to establish and maintain local health and welfare trust funds to track the distribution of sales tax and vehicle license fee revenue at the local level. Assembly Bill 85 of 2013 changes W&I Code Section 17600.1 (a)(5) requiring Counties establish an additional health and welfare trust fund and designate it for family support.

AB85 requires Counties establish the family support trust fund for receiving and distributing 1991 Realignment sales tax revenue for the purpose of funding the non-federal portion of mandated CalWORKs Grant increases. State Realignment sales tax revenue will be redirected to the Realignment - Family Support account at the State level from anticipated

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Page 3

savings in the Realignment - Health account at the County level as the result of the January 2014 implementation of Medi-Cal Expansion.

As a result of the AB85 requirement, in collaboration with the Auditor-Controller's Office the Community Services Agency is requesting the establishment of a new local interest bearing trust fund called Realignment - Family Support. Establishing an interest-bearing designation will allow the County to capture the interest based on the cash balances in the Realignment - Family Support Trust fund.

The State will evaluate annually the potential for future CalWORKs grant increases based on availability of the funds that have been deposited statewide into the Realignment Child Poverty and Family Supplemental Support and Family Support subaccounts.

POLICY ISSUE:

Approval to designate the Realignment – Family Support Trust Fund as interest bearing for the purpose of receiving and distributing 1991 Realignment Sales Tax revenue beginning January 2014 pursuant to Assembly Bill 85 (AB85) for the non-federal share of CalWORKs grant increases supports the Board's priority of A Healthy Community, Effective Partnerships and Efficient Delivery of Public Services by establishing the appropriate interest bearing designation and accountability for local distribution of State Sales Tax Revenue.

STAFFING IMPACT:

Community Services Agency and Auditor-Controller's Office staff are available to provide accounting and reporting support resulting from the requested establishment of the AC Realignment-CalWORKs Family Support Interest Bearing Trust Fund.

CONTACT PERSON:

Kathy Harwell, Director 558-2500