

STRENGTHENING COUNTY FISCAL STRATEGIES: ***FUNDING, FORECASTING & SUSTAINABILITY***



Child & Youth System of Care (AB 2083)

“...a broad, flexible array of services and supports for a defined population that is organized into a coordinated network, integrates care planning and management across multiple levels, is culturally and linguistically competent, builds meaningful partnerships with consumers at service delivery, management, and policy levels, and has supportive policy and management infrastructure.”

Pires, S. (2002). Building systems of care: A primer. Washington, D.C.: Human Service Collaborative.

“Agencies sharing Resources, Responsibility Risk and Reward...for youth and families to be safe, at home, in school and outside of youth corrections.”



Objectives

- Understand and apply fiscal fundamentals – including budgeting basics, tracking expenditures, and interpreting budget-to-actual reports.
- Strengthen forecasting skills by learning techniques for building accurate projections and anticipating funding needs.
- Identify and leverage funding streams across child welfare, probation, behavioral health, and education to maximize federal/state match opportunities
- Analyze and compare county practices through real-world examples that demonstrate cross-system partnerships and creative fiscal strategies.
- Apply cross-system fiscal thinking to assess available services, consider flexible use of funds, and plan for sustainable service delivery.





System of Care

Better outcomes for kids and families

Complex Care Consortium Example

Placement Insecure Youth

- Integrative Model of Care (IMC) Placement Rate
- Behavioral Health Services (BHS)
- Realignment / General Fund
- Complex Care Capacity Building (Probation/Child Welfare Services)
- Complex Care Child Specific
- Independent Living Program Allocation
- Foster Youth Liaison
- Commercially Sexually Exploited Children (CSEC) Allocation
- Wraparound (WRAP)
- Aftercare
- Alta Regional
- Managed Care Plans
 - Enhanced Care Management



The background features abstract, colorful curved lines and circles in shades of blue, purple, teal, and yellow, creating a dynamic and modern aesthetic. A solid blue horizontal band spans the width of the image, serving as a backdrop for the title.

The Essentials



Allocations

Annual funding limits

Fund Balance & Reserves

Protect Services

Net County Cost

Reflects local investment

Local Revenue

General Fund Varies by county

Key Terms

Understanding Allocations

WHAT THEY ARE

Funding set by the State
— defines each county's
ceiling.

HOW THEY WORK

Allocation → Available
funding

Claims → Actual spending

Variance → Story behind
the numbers

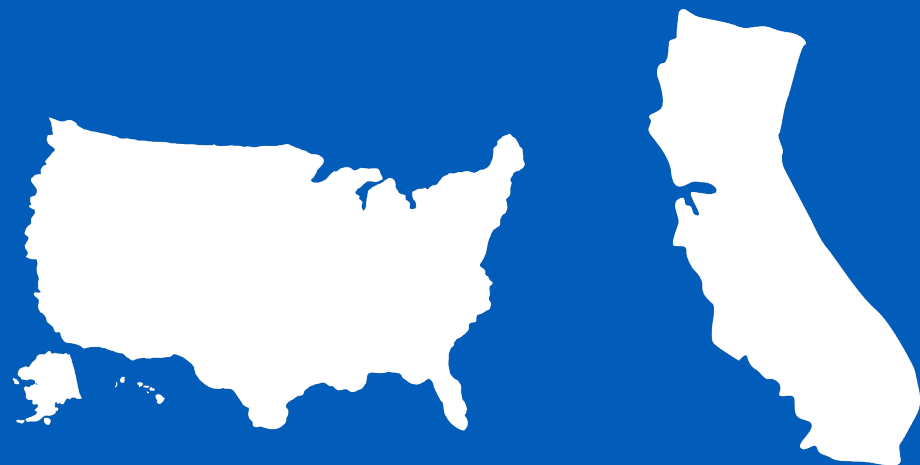
WHY THEY MATTER

Guide planning and
forecasting.

Connect funding to results

Strengthen county voice

Federal & State Funding



FEDERAL FUNDING

- Federal budget sets each state's share
- Requires non-federal match (often State or County)
- Usually open-ended — reimbursement based on need

STATE FUNDING

- State fiscal year: July 1 – June 30
- State General Fund helps draw down federal dollars
- Some State-only programs and allocations to counties



Realignment Funding

- 1991 & 2011 Realignment support CWS, BHS, Public Safety
- Funded by Sales Tax & Vehicle License Fee
- Revenue fluctuates with the economy

Grants



Targeted, time
limited funding

Other/Misc.



Varies by
program

County Participation



Local funds fill
gaps

IV-E

- IV-E supports eligible CWS work
- State General Fund is used to draw down Federal dollars.
- There are also State only programs.
- Allocations letters inform counties on how much they will receive.



Medi-Cal

Medi-Cal Program generally consists of federal and state/local funding for services provided under a Federally approved State Medicaid Plan or federally approved Waivers

- Wide array of services
- Various payment methodologies and financing mechanisms

CalAIM dramatically changed Medi-Cal Specialty Behavioral Health funding

- From cost-based reimbursement to prospective FFS rates
- From reimbursement of Certified Public Expenditures (CPE) to matching of Intergovernmental Transfers (IGT)

Counties required to use local non-federal funding for the IGT, but total Medi-Cal payments to counties are considered patient care revenue

- Must be used on behavioral health services

Cross-System Behavioral Health Framework

- The Mental Health Services Act (now Behavioral Health Services Act-BHSA) provides funding for the expansion of behavioral health services when no other funding is available
- BHSA Full Service Partnerships (FSPs) are intended to provide “whatever it takes” to support an enrolled individual, including children and their families
 - More than 13,000 children age 0-15 were enrolled as FSPs in FY22-23
 - FSP WRAP programs provide services to children and families identified through Child Welfare, Probation, education settings, and other mental health professionals in the community
- BHSA funding has been used to expand and enhance behavioral health services provided in schools
 - The Act requires that a portion of MHSA funds be used for early intervention
 - Counties have worked with their local County Office of Education to provide early intervention screening, assessment and treatment in schools
 - Joint collaboration between County BH, COE and CBOs
- Proposition 1 created many changes to the Act
 - County BH agencies are currently focused on developing Integrated Plans that incorporate those changes

Integrative Model of Care Example

Decision Making Process

START WITH THE YOUTH & PLACEMENT NEED

Assess risk, acuity, placement stability, and cross-system involvement.

IDENTIFY CORE SERVICE & PLACEMENT MODEL

(e.g., IMC, E-STRTP, family-based care, step-down)

INVENTORY FUNDING STREAMS

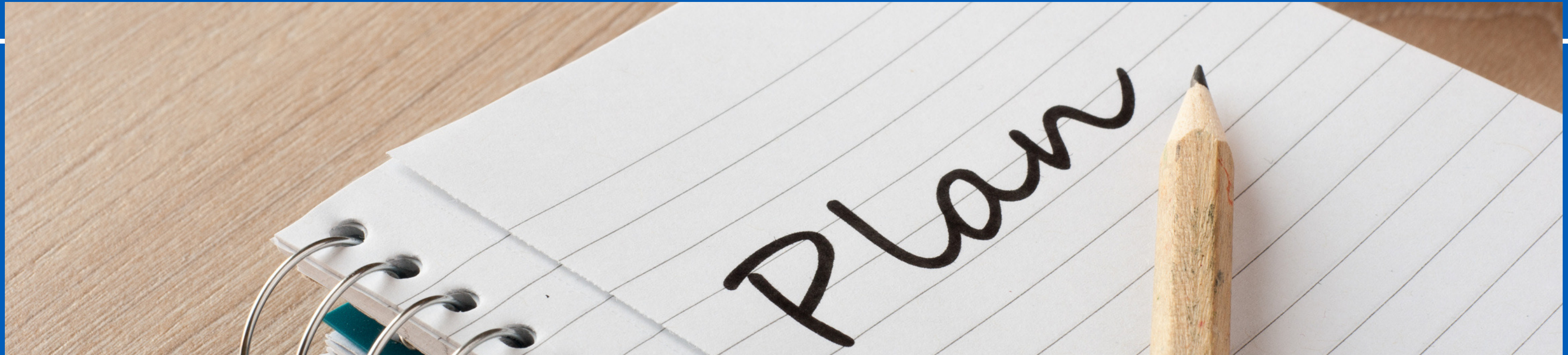
Child Welfare, Behavioral Health, Education, Probation, Local Funds

LAYER & ALIGN FUNDING STRATEGICALLY

Maximize federal/state participation, reserve local funds for gaps.

PLAN FOR TRANSITIONS & SUSTAINABILITY

Step-down services, aftercare, ILP, education continuity.



Financial Plan

- Inventory of Resources
- Strategies to shift funds for stronger match opportunities (state/federal).

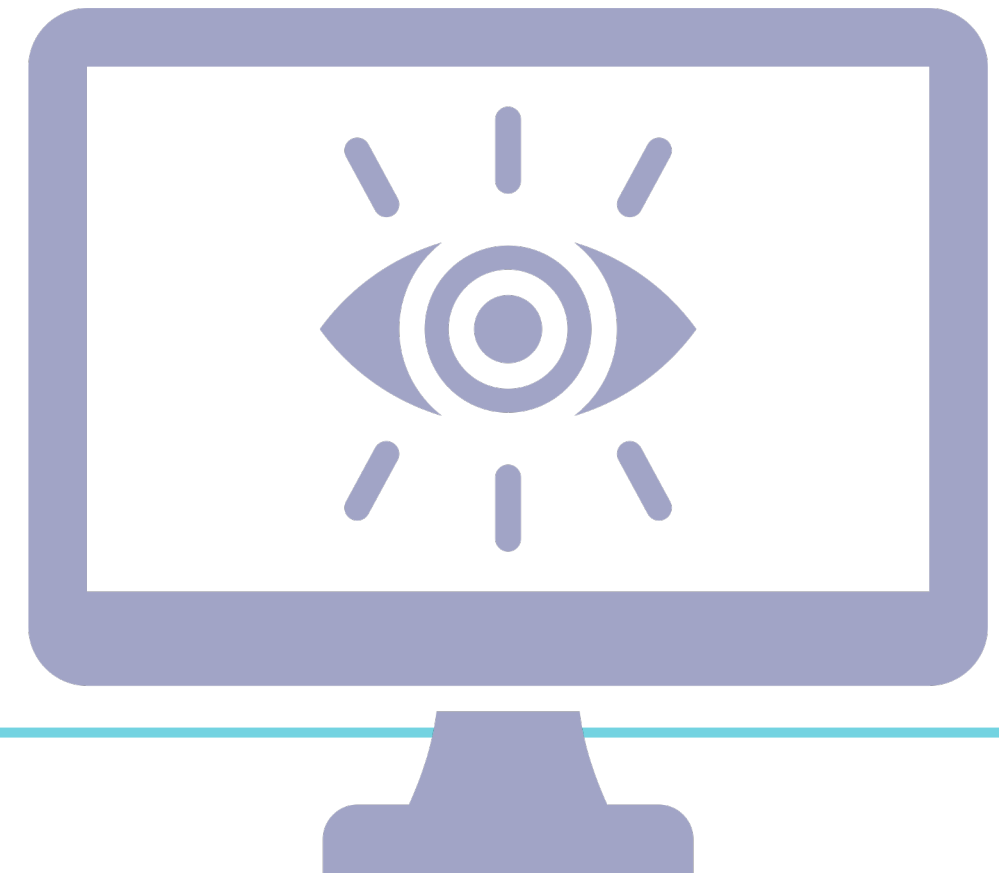
Forecasting

- Are you doing this ???
- 5-year revenue and expenditure projections
- Confirms priorities Identifies plans for deficits and surpluses
- Major issues



Monitoring

- Key Indicators
- Current Appropriation
- Prior Year Actuals
- Straight Line Projection
- Current Period Carried Forward
- Highest Period Carried Forward
- YTD Plus PY Carried Forward
- Stair Step Projection
- Trend Line Projection
- Constant Value



Forecasting Methodology	Calculation (F = Forecast)	When to Use
Current Appropriation	$F = \text{current appropriation}$	Amount budgeted is tied to a specific allocation or agreement (i.e., Public Safety Realignment, Prop. 172, contract with vendors, most internal service charges)
Prior Year Actuals	$F = \text{prior year actuals}$	Prior year revenue or expenditures is the best indicator for current or future year projections (i.e., former RDA pass-thru payments)
Straight Line	$F = (\text{YTD} / \text{periods to date}) * \text{total periods}$	Steady stream of revenue or expenditures without major seasonal fluctuations (i.e., Planning Fees, monthly contracts, software licensing)
Current Period Carried Forward	$F = \text{YTD} + (\text{current period} * \text{remaining periods})$	Current period best represents future periods (i.e., fee for services after fee increase has taken effect)
Highest Period Carried Forward	$F = \text{YTD} + (\text{highest period to date} * \text{remaining periods})$	YTD pattern not as relevant as highest period (i.e., salaries and benefits after all negotiated increases are in effect; also used to calculate best or worst case scenarios)
YTD Plus PY Carried Forward (aka Last 12 Months)	$F = \text{YTD} + (\text{remaining months from previous fiscal year})$	Seasonal trends are significant (i.e., Parks, Elections activities).
Modified YTD Plus PY Carried Forward	$F = \text{YTD} + ((\text{YTD}/\text{PYTD}) * (\text{remaining months from previous fiscal year}))$	Seasonal trends are significant and recent revenues and expenditures are trending upwards or downwards (i.e., Parks and Elections activities; Court traffic fines)
Stair Step Projection	$F = \text{YTD} + (\text{current period} * X \text{ periods}) + (Y \text{ adjustment} * Z \text{ periods})$	Current trend rate will be impacted by future cost increases (i.e., salaries will increase October 20 and benefits will increase January 1)
Trend Line	$F = \text{YTD} + (\text{current period} * [+ \text{ or } -] \text{ change factor}) * \text{each remaining period}$	Recent trends need to be extrapolated (i.e., costs are increasing 2% per month or revenue is decreasing 1% per month)
Constant Value	$F = X \ \& \ Y$	Historical relationship of X to Y will generally remain constant (i.e., benefits at 50% of salaries, claiming revenues at 90% of expenditures)

YTD = Year-to-Date Actuals

PYTD = Prior Year-to-Date Actuals (same timeframe, previous year)

Reading & Interpreting Budget-to-Actual Reports

	FISCAL YEAR 2024-25 BUDGET MONITORING SUMMARY BY SUBCLASS					
For the Month of December 2024					Percent of Year Elapsed	50%
	Prior Year Actuals	Working Budget	Year to Date Actuals	% of Bud Spent /Realz Actuals /WkBud	Year End Projections	Projection Methodology
SOURCES						
Taxes	28,536,729	39,153,561	19,500,465	49.8%	39,000,930	Straight Line
State	70,668,853	87,921,767	16,165,086	18.4%	70,668,853	Prior year actual
Realignment	11,717,338	50,149,799	2,586,896	5.2%	5,173,792	Straight Line
Federal	85,641,585	63,052,367	32,091,425	50.9%	85,641,585	Prior year actual
Miscellaneous Revenue	2,412,735	3,677,408	766,073	20.8%	1,532,146	Straight Line
FUND BALANCE	0	48,387,194	0	0.0%	48,387,194	Current Appropriation
TOTAL SOURCES	198,977,240	292,342,096	71,109,945	24.3%	250,404,500	
EXPENDITURES/RESERVES						
SALARIES AND BENEFITS	130,212,093	162,136,445	67,980,414	41.9%	143,058,401	Multiple
Contracts/ General Service and Supplies	47,515,978	76,459,363	14,158,855	18.5%	47,515,978	Prior year actual
Interagency Agreements	3,341,553	7,821,451	2,464,648	31.5%	4,929,296	Straight Line
Program Activities	287,097	1,162,031	109,050	9.4%	218,100	Straight Line
TOTAL SERVICES AND SUPPLIES	51,144,628	85,442,845	16,732,553	19.6%	52,663,374	
Telephone	0	440,153	220,093	50.0%	440,153	Current Appropriation
Automation	6,437,657	7,355,061	4,196,460	57.1%	7,355,061	Current Appropriation
Rents & Leases	11,436,871	11,501,303	6,124,931	53.3%	11,501,303	Current Appropriation
Other	5,557,390	6,975,578	3,102,267	44.5%	6,975,578	Current Appropriation
TOTAL OTHER CHARGES	23,431,918	26,272,095	13,643,751	51.9%	26,272,095	
CONTINGENCIES / RESERVES	0	36,250,466	0	0.0%	36,250,466	
TOTAL REQUIREMENTS	204,788,639	310,101,851	98,356,718	31.7%	258,244,336	
NET COUNTY COST	5,811,399	17,759,755	27,246,773	56%	7,839,836	

Contingencies/Reserves: Best Practices



- Justification to policymakers: 'Reserves = Service Protection, not Hoarding.'
- Benchmark: GFOA recommends at least 2 months of operating expenditures.
- This funding should be used for one-time functions

Forecasting Barriers

- Timing
 - Realignment
 - Medi-Cal
- Contracts
- Information



The image features a central blue banner with the word "Volatility" in white. Above and below the banner, several US dollar bills are shown falling against a white background. The bills are in various orientations, some partially visible at the top and others at the bottom, creating a sense of motion. The bills include the portrait of Benjamin Franklin and the text "ONE HUNDRED DOLLARS".

Volatility

Complex Care Consortium Activating 2083 Program & Fiscal in Action



Emergency placements used as intentional
entry points

Youth stabilized without placement
disruption

Funding transitioned within the same
home

Crisis response replaced with planned
escalation of services

OUTCOME#1:
From
Emergency to
Stability



OUTCOME #2: The Youth Who Didn't Go Back to STRTP



Behavioral health services layered concurrently

STRTP re-entry avoided through IMC family-based placement

Extensions used to build stability, not delay decisions

Higher-cost congregate care replaced with **sustained family placement**

Placement decisions paced to youth readiness

Extensions used with clear purpose and monitoring

Service intensity adjusted before placement changes

Fewer reactive moves driven by funding or timelines

OUTCOME#3: Stability was Chosen Over Speed



Systems Perspective: Shared Impact Across Partners

Probation (Informal Supervision): Stability reduced risk without escalation

Behavioral Health: Continuity allowed treatment to take hold

Education: Fewer placement moves meant fewer school disruptions

Child Welfare: Reduced placement churn and stronger permanency planning

***ALIGNED FISCAL SYSTEMS ENABLED COORDINATED CARE — NOT
COMPETING RESPONSES.***



Stretching Every Dollar for Families, Youth & Children

- Youth-Centered: Start with the youth, not the funding
- Integrated: Fiscal and program decisions made together
- Intentional: Braided funding used by design, not default
- Predictive: Forecasting protects services
- Responsive: Monitoring enables mid-course correction
- Sustainable: Planning for transitions prevents re-entry

Now What? Turning Strategy into Action

Formalize
interagency
leadership teams

Align program
priorities with
funding options
across systems

Use forecasting to
anticipate change,
not react to it

Prepare for
federal and state
shifts impacting
local funding

Build sustainability
into every
placement decision

*Action now prevents
instability later - for
youth and budgets!*



Q & A



Resource Listing

Select
All

Clear

0
selected

Showing 1-10
of 146

Show: 10



Service /

S

Description Of Service

Program Criteria

System of Care Coordination Tool: Continuum of Care Resources for Youth with Complex Care Needs

gement ☐ Fiscal



Day
Rehabilitation

S

Structured program
which provides services
to a distinct group of

Enrolled in Medi-
Cal Meet Medical
Necessity Criteria

Purpose of the Tool

- Enhance learning and coordination amongst SOC partners in support of AB 2083
- Show SOC teams how supports and services can be coordinated and braided to reduce duplication of efforts, reduce fiscal impact on individual systems, reduce system barriers that come when we work in silos and enhance coordination for children and families

Program Criteria	Lead Agency	Associated Direction
Enrolled in Medi-Cal Meet Medical Necessity Criteria...	<div>Behavioral Health</div> <div>Other Partners:</div> <div>Child Welfare Services (CWS)</div> <div>Probation</div>	Specialty Mental Health Services (SMHS) Billing Manual BHIN 21-073
Enrolled in Medi-Cal Meet Medical Necessity Criteria...	<div>Behavioral Health</div> <div>Other Partners:</div>	Specialty Mental Health Services (SMHS) Billing



[Click here](#) for CFPIC's
System of Care
Coordination Tool



[Click here](#) for the CA
Controller's
Apportionments web page

Next Equipping Series: AB 2083, and Prevention: Aligning Practice and Impact

- Explore how prevention is a core AB 2083 and System of Care commitment embedded in county MOUs and governance
- Learn how the Integrated Core Practice Model (ICPM) serves as the unifying framework for prevention, early intervention, and whole-family work
- Hear from counties and cross-system leaders about aligning prevention strategies, funding, and services across child welfare, behavioral health, probation, education, and community partners
- See prevention in action through real-world examples, including Community Schools, MTSS, and cross-system models
- Leave with practical next steps to strengthen prevention within local System of Care leadership and implementation, including strategies to engage teams in building on prevention initiatives

Next Steps & Future Collaboration

- CFPIC TA: Technical assistance available
- Community of Practice Monthly Sessions
- Your Survey responses will inform future focus areas!

