

## **Fiscal Communiqué - #08-02 – Excess Family Support Services Funds**

**Title:** Excess Family Support Services Funds

**Date:** March 18, 2008

**Priority:** Medium

**Category:** Action required

**Response Required:** No

### **Purpose:**

To provide Child Care Information Services (CCIS) agencies with direction regarding excess Family Support Services (FSS) funds for FY 2007-08.

### **Background:**

As the end of the 2007-08 fiscal year approaches, the Office of Child Development and Early Learning (OCDEL) is providing CCISs with direction and alternatives to consider when evaluating FSS expenditures and potential unused FSS funds.

### **Discussion:**

In November 2006, a new approach to determining FSS payment amounts was introduced – incorporating reconciliations of base payments to actual FSS expenditures. With this new approach, FSS payments are now very similar to Service payments in that if PELICAN – Child Care Works (PELICAN-CCW) does not have the data to show a CCIS needs the funds, then the funds will not be paid to the CCIS.

OCDEL is aware that CCISs will have unspent FSS funds due to unexpected circumstances, such as unpaid leaves of absence, staff vacancies, etc. In these instances, the full allocation will not be paid to a CCIS because the CCIS cannot expend the funds as originally allocated. Therefore, it is very likely that a CCIS will not receive its full FSS allocation.

As a result, CCIS agencies are proactively requesting to shift funds from FSS into Service in order to authorize Low Income children from the waiting list (WL) and/or to make additional service funds available in Former TANF/TANF funding sources.

OCDEL is neither specifically encouraging nor discouraging this practice. Each individual CCIS will need to review its budgets and FSS expenditures to determine if excess FSS funds will be available and to decide if the CCIS would like to shift those excess funds into Service.

Below is a list of items to take into consideration when deciding to shift excess FSS funds:

- Service funds for FY 2008-09 will not automatically reflect an increase to provide additional funds for new enrollments.
- FSS funds for FY 2008-09 will not automatically be adjusted for any FSS to Service shifts in FY 2007-08.
- FSS funds shifted to Service may not be available at a later time in the fiscal year when an unanticipated FSS expenditure or other emergency occurs.
- If excess FSS funds are shifted to Service and are not necessarily needed for Service, OCDEL retains the right to shift those funds to another county where Service funds are required.
- FSS funds can be shifted in any of the three budgets – Low Income, Former TANF and TANF.

**Next Steps:**

1. Share this communiqué with staff responsible for the FSS budgets and expenditures.
2. Submit budget revision request(s) following the standard budget revision change process for any proposed shifts from FSS to Service.
3. Direct questions to your Subsidy Coordinator.

OBSOLETE