CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES
P.O. Box 419064, Rancho Cordova, CA 95741-9064

Reason for this Transmittal

[ ] State Law or Regulation Change
[ ] Federal Law or Regulation Change
[ ] Court Order or Settlement Change
[ ] Clarification requested by One or More Counties
[x] Initiated by DCSS

November 25, 2003

LCSA LETTER: 03-26

ALL IV-D DIRECTORS

SUBJECT: STATE FISCAL YEAR 2003/04 BUDGET DISPLAY AND STATE FISCAL YEAR 2004/05 BUDGET PROCESS

The purpose of this letter is to provide local child support agencies (LCSA) with instructions and information to aid in the completion of the SFY 2003/04 Budget Display (CS 921). The Budget Display is a budgeting tool to gather information for use in the development of the state fiscal year (SFY) 2004/05 Non-EDP Administrative Initial Planning Allocation. The completed Budget Display must be submitted to the Department of Child Support Services (DCSS) by January 5, 2004. This will enable DCSS to release the Non-EDP Administrative Initial Planning Allocation in February 2004 based on the proposed Governor's Budget for SFY 2004/05. LCSAs will be receiving the EDP M&O Budget Request for SFY 2004/05 in a separate mailing.

The SFY 2003/04 Budget Display is intended to gather detailed data to reflect how LCSAs utilize their SFY 2003/04 Non-EDP Administrative Final Allocation. In addition, it allows the LCSA to reconcile their approved local budgets to the same DCSS allocation. Finally, it provides an early opportunity for LCSAs to report additional needs anticipated in SFY 2004/05.

As you know, a designated workgroup composed of representatives from the Legislature, LCSAs, labor unions, and state departments has convened to evaluate the current allocation methodology. Several methods to allocate child support funding are being discussed and considered. Pending decisions made by the workgroup, information reported on the CS 921 will likely be a key part of the development of future allocations. Therefore, it is essential that information reported on the CS 921 be accurate and complete. DCSS budget staff, as well as Regional Administrators, will closely review CS 921 submissions and make follow-up contacts with LCSA Directors to obtain additional information and necessary clarifications.

It is important to re-emphasize several key points that have been made in prior allocation

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letters in regard to the current budget situation. First, all LCSA directors are reminded that current year expenditures must be carefully monitored to ensure that final allocation amounts are not exceeded. Local agency expenditure patterns that exceed the amount allocated must be immediately adjusted to remain within the amount allocated. DCSS is not obligated to reimburse costs that exceed an LCSAs authorized allocation.

Second, future funding levels remain uncertain and there is little optimism that increased funding will be available. With this in mind, Section K, Additional Needs for SFY 2004/05 of the Budget Display has been reformatted. It provides LCSAs the opportunity to report any additional funding needs anticipated in SFY 2004/05. Requests must be clearly identified to denote adjustments (positive and negative) to the SFY 2003/04 Non-EDP Administrative Final Allocation and specify whether those needs can be funded within the current allocation or require new funding. In addition, it allows LCSAs to indicate necessary budget reductions should new funding not be available. As LCSAs begin to prepare and submit their budgets for SFY 2004/05 in preparation for their local budget process, DCSS would urge caution in planning expenditure levels given the current statewide budget situation.

In order to report information on the Budget Display, LCSAs will access the document on the DCSS County Website. The Budget Display is considered submitted once it has been approved by the LCSA. A hard copy of the Budget Display does not need to be submitted to DCSS.

Enclosed is a package of budget documents to aid LCSAs in the completion of the SFY 2003/04 Budget Display. This Budget Display Information Package consists of:

- Summary of Changes from the SFY 2002/03 Budget Display.
- Instructions to Access Budget Display Website.
- Instructions for completion of the Budget Display document.
- Definitions to be used in the completion of the Budget Display.
- Budget Display Submission Checklist.
- Budget Display Document: The Budget Display document is located on the DCSS County Website. The enclosed hardcopy provides a reference for use with the document instructions and definitions.
- DCSS Contact Listing: Provides the LCSA with contact information regarding their County Allocations and Claims Policy Analyst.

Please read the enclosed definitions and instructions thoroughly before inputting data into the website version of the Budget Display.

In order to meet the February allocation deadline, the completed Budget Display must be finalized on the DCSS County Website by January 5, 2004. If you have any questions

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regarding the Budget Display, please contact your County Allocations and Claims Policy Team Analyst or Linette Kleinsasser at (916) 464-5086.

Sincerely,

/os/

JAN SHERWOOD
Deputy Director
Administrative Services Division

Enclosures (7)

cc: David Oppenheim
Child Support Directors Association