

Supplantation Policy

Purpose

To establish a policy for the Shasta Children and Families Commission (Commission), relating to supplanting and supplementing funds received by grantees, that ensures compliance with Health and Safety Code section 30131.4.

Background

The Commission funds programs and services for children ages zero to five and their families. The Commission's mandate is set forth in Health and Safety Code sections 130100 *et seq.*, Shasta County Administrative Code, Article III, sections 84.100 *et seq.*, and the Commission's Strategic Plan.

The commission's funding decisions are subject to the California Revenue and Taxation Code section 30131.4 which provides that:

30131.4. All moneys raised pursuant to taxes imposed by Section 30131.2 shall be appropriated and expended only for the purposes expressed in the California Children and Families Act and shall be used only to supplement existing levels of service and not to fund existing levels of service. No moneys in the California Children and Families First Trust Fund shall be used to supplant state or local General Fund money for any purpose.

The prohibition on supplantation was intended to prevent state and local governments from shifting fiscal responsibility for ongoing public programs to the state and local commission. The prohibition makes no reference to privately funded or federally funded programs.

Policy

- A. No Commission funds shall be used to supplant local general fund money for any purpose. The intent is that Commission funds will be used to supplement existing efforts, support innovation, identify best practices, and promote systems change.
- B. No Commission funds shall be granted or used for any existing project or program funded by local general funds unless the proponent demonstrates to the Commission's satisfaction that the Commission's funds will be used solely to supplement an existing project or program, and not to supplant existing funding.
- C. No Commission funds shall be granted or used for any existing project or program funded by state general funds unless the proponent demonstrates the Commission's satisfaction that the Commission's funds will be used solely to supplement an existing project or program, and not to supplant existing funding. This prohibition shall not preclude the Commission from funding programs previously funded by the state, but for which state funding is no longer available.
- D. This prohibition on supplantation does not apply to privately funded or federally funded programs.
- E. In order to encourage state and local governments to fund valuable innovations and pursue evidence-based practices, this policy shall not apply to pilot programs or services. The intent of this policy is to ensure that the Commission's funding decisions comply with Section 30131.4 of the California Revenue and Tax Code.

Definitions

- A. **Existing service:** With respect to a level of service, a service that is funded and operating at the time when the Commission acts on the request for funding.
- B. **State general funds:** Funds that are received into the treasury of the state and not required by law to be credited to any other fund¹.
- C. **Local general funds:** Funds that are received into the treasury of the County of Shasta for the County of Shasta and not specially appropriated to any other fund², or funds received into the treasury of any city government within the County of Shasta for the use of that city and not specially appropriated into any other fund.
- D. **Level of service:** Includes both the quality and/ or scope of services. The scope of a program may involved, but is not limited to, the number of individuals receiving services, geographic areas serviced, the income level eligible to participate, age levels served, etc.
- E. **Supplant:** To take the place of or to replace.
- F. **Pilot:** Programs or services that are implemented on a temporary or limited basis in order to test and evaluate the effectiveness of the program, develop new techniques, or gather information.

Procedure

- A. Funding proposals submitted to First 5 Shasta may require a full disclosure of any private or government funding for the project submittal, including current funding or any past funding received within the past three years. Commission staff may review the funding history to examine relevant patterns and trends.
- B. Any applicant who has received funding for the proposed program or service within the last three years must provide assurance that the Commission's funds will be used solely to augment or improve the existing level of service in quality, in scope, or in quality and scope. The applicant must demonstrate to the Commission's satisfaction:
 - 1. That the program or service is a pilot project, or
 - 2. If State or Local general funds were received for the portion of the proposed program or service for which Commission funds are being considered during the preceding 12 months, that these funds have not and will not be reduced or eliminated because of the Commission allocation of funds to the program.
 - 3. In some cases, the Commission may find that a program exists at the time of application but will cease to exist during the grant period unless funded by the Commission. In such cases, Commission funding will supplement the existing levels of service during the grant period and will not be contrary to the supplantation provision.
- C. The Commission may require applicants to provide additional information regarding sources and uses of funds at any time. As part of its grant-making process, the Commission may review applications regarding the source and use of programmatic funds to ensure compliance with this policy. For multi- year grants, the Commission reserves the right to re- examine its determination that its funds will not be used in violation of this policy.

¹See Government Code section 16300.

²See Government Code section 29301.

Adopted April 17, 2013; Reviewed/Approved by SCFC on October 24, 2022