



## **Statement**

This policy provides Commission staff and Service Providers a clear and definitive understanding of the Commission's interpretation of the legislative language and how to apply it to contract/program development.

The California Children and Families First Act of 1998, and Section 30131.4 of the California Revenue and Taxation Code, states:

"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 First 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."

## **Implementation**

No Commission funds shall be used to supplant (i.e., take the place of or replace) state or local General Fund money (as defined in the definitions section) for any purpose. This prohibition does not apply to federally funded or privately funded programs.

Commission funds shall be used only to supplement (i.e., add to or increase) existing levels of service (as defined in the definitions section) and not to fund existing levels of service. No Commission funds shall be granted or used for services funded by state or local General Funds unless the Commission's funding will improve the quality or quantity of an existing service.

The prohibition on supplantation is not intended to prevent, stifle or discourage state or local government agencies from funding pilot programs (as defined in the definitions section), which provide valuable innovations and formation. The prohibition on supplanting therefore does not apply to pilot programs or services.

## **Definitions:**

*State General Fund money* is defined as any money received into the treasury of the state and not required by law to be credited to any other fund (Gov. Code 16300). This includes all funds received by the state except those collected by a specific fee or tax for a particular purpose (e.g., Proposition 10 funds, Proposition 99 funds, excise taxes assessed for a particular purpose). State general fund money also includes funds originating from the state treasury (not required to be credited to any other fund) that are subsequently earmarked for a particular use at the county level.

*Local General Fund money as pertaining to county* is defined as any money received into the treasury of the local government and not specifically appropriated to any other fund (Gov. Code 29301).

*Local General Fund money as pertaining to cities, municipalities, or public agencies* is defined as any money received into the treasury of the local city, municipality or public agency and not specifically appropriated to any other fund.

*Existing services* are defined as services in effect or operation at the time a request for funding is acted upon by the Commission, or at any time within the 12-month period preceding the Commission's action.

*Pilot programs* or services are defined as those activities that are implemented on a temporary and limited basis in order to test and evaluate the effectiveness of the program, develop new techniques, or gather information.

*Note:* This policy is not to be construed as limiting creativity in terms of prospective applicants/grantees from proposing blended funding streams from multiple sources (public and private).