



COUNTY OF HUMBOLDT

For the meeting of: 9/24/2024

File #: 24-1357

To: Board of Supervisors

From: DHHS: Administration

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Transfer of 1991 Realignment from Public Health to Social Services for Fiscal Year (FY) 2023-24

RECOMMENDATION(S):

That the Board of Supervisors:

1. Find that the decision to make a change in the allocation 1991 Public Health realignment monies is based on the most cost-effective use of available resources to maximize client outcomes;
2. Direct the Clerk of the Board to send a certified copy of these findings to the Department of Health and Human Services;
3. Direct the Department of Health and Human Services to forward a document containing this finding to the State Controller; and
4. Direct the Auditor-Controller to transfer \$ 1,203,414 of 1991 State/Local Program Realignment funds from Public Health fund 1175 to the Social Services fund 1160.

STRATEGIC PLAN:

This action supports the following areas of your Board's Strategic Plan.

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:

The Legislature adopted programmatic changes as part of a significantly expanded realignment package enacted by Chapters 87, 89, and 91, Statutes of 1991 (AB 758, Bates, and AB 1288 and AB 948, Bronzan). The realignment passed by the Legislature included three major components: (1) program transfers from the state to the counties, (2) changes in state/county cost-sharing ratios for certain social services and health programs, and (3) an increase in the state sales tax and the Vehicle License Fee (VLF) earmarked for supporting the increased financial obligations of counties.

Section 17600.20 of the Welfare and Institution Codes allows for a transfer of 1991 State/Local Program Realignment funds between subaccounts, not to exceed ten percent (10%) of the amount deposited in the account from which funds are to be reallocated for that fiscal year.

Transfers may be made between any of the accounts for any reason, as determined by the Board of Supervisors, as long as transferred funds are spent on realigned programs in other accounts.

The transfer of funds is recommended in order to address increased costs associated with providing social services programs to our community. The transfer will assist in covering local expenditures for FY 2023-24.

SOURCE OF FUNDING:

Public Health 1991 Realignment funds (Operating Fund 1175-400)

FINANCIAL IMPACT:

<i>Expenditures (Fund, Budget Unit)</i>	FY23-24	FY24-25 Projected*	FY25-26 Projected*
<i>Budgeted Expenses</i>	<u>\$1,203,414</u>	<u>\$1,100,000</u>	<u>\$1,100,00</u>
<i>Total Expenditures</i>	<u>\$1,203,414</u>	<u>\$1,100,000</u>	<u>\$1,100,00</u>

**Projected amounts are estimates and are subject to change.*

<i>Funding Sources (Fund, Budget Unit)</i>	FY23-24	FY24-25 Projected*	FY25-26 Projected*
<i>Fees/Other</i>	<u>\$1,203,414</u>	<u>\$1,100,000</u>	<u>\$1,100,00</u>
<i>Total Funding Sources</i>	<u>\$1,203,414</u>	<u>\$1,100,000</u>	<u>\$1,100,00</u>

**Projected amounts are estimates and are subject to change.*

Narrative Explanation of Financial Impact:

The transfer of realignment funds from the Public Health Operating Fund 1175 to Fund 1160 Social Services will decrease the current negative fund balance by \$1,203,414 in FY 2023-24. The maximum allowable transfer is 10% of the received realignment funds in a fiscal year. Social Services operates many programs that have been realigned. Over the years the Social Services fund carried a positive fund balance, which was used to support the realigned programs. Due to changes in statewide reporting of expenditures, reimbursement timelines, and increases in program costs Social Services' positive fund balance has been depleted. Approval of the transfer of funds will help Social Services regain a positive fund balance and support realigned expenditures that occurred in FY 2023-24.

It is anticipated that DHHS will request an additional transfer from Public Health to Social Services in FY 2024-25.

OTHER AGENCY INVOLVEMENT:

County Administrative Office, Auditor-Controller and State Controller

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could elect not to authorize the transfer of these funds. This is not recommended as the Department is taking this action to assure its ability to meet state and federal mandate and entitlement obligations.

ATTACHMENTS:

Attachment 1: Draft Journal Entry Form SSBJun047 - Realignment TRF PH to SSB FY2324

PREVIOUS ACTION/REFERRAL:

Meeting of: N/A

File No.: N/A