# COUNTY OF HUMBOLDT

**For the meeting of:** 8/18/2026

**File #:** 26-813

**To:** Board of Supervisors

**From:** DHHS: Public Health

**Agenda Section:** Consent

**Vote Requirement:** Majority

**SUBJECT:**
Approval of transfer of 1991 Realignment from Public Health to Social Services for Fiscal Year (FY) 2025-26

**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; and
2. Direct the Clerk of the Board to send a certified copy of these findings to the Department of Health and Human Services (DHHS); and
3. Direct the DHHS to forward a document containing this finding to the State Controller; and
4. Approve to transfer state/local program realignment funds from Public Health Fund (3444) to the Social Services Fund (1160) per WIC 17600.20(a); and
5. Approve to transfer state/local program Realignment Funds from Public Health Fund (3444) to the Social Services Fund (1160) per WIC 17600.20(b).

**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:**
In 1991, the Legislature enacted a major State-Local Program Realignment through Chapters 87, 89, and 91, Statutes of 1991 (AB 758, AB 1288, and AB 948). This realignment transferred certain program responsibilities from the State to counties, revised State county cost sharing ratios, and established dedicated revenue streams through increases to the state sales tax and Vehicle License Fee (VLF). These revenues are deposited into realignment accounts to support the ongoing financial obligations associated with health and human services programs.

Welfare and Institutions Code (WIC) section 17600.20(a) authorizes counties to transfer up to 10% of the annual deposits in a realignment account to another realignment account. In addition, WIC section 17600.20(b) allows for an additional transfer of up to 10% from the Health Account to the Social Services Account when the State does not fully fund realignment caseload growth. In FY 2024 25, Social Services experienced unfunded caseload growth totaling $470,435, making the county eligible to utilize this provision. The County of Humboldt DHHS - Public Health Branch is requesting approval for both the section 17600.20(a) and section 17600.20(b) transfers.

Realignment transfers may be approved by the Board of Supervisors for any purpose, provided the transferred funds continue to be used for realigned programs. DHHS - Public Health recommends a transfer of Public Health Realignment funds under WIC 17600.20 (a) to support increased costs associated with Child Welfare Services (CWS). CWS is a realigned program responsible for protecting children from abuse and neglect and for administering foster care placements. The requested transfer will assist in covering local CWS expenditures in FY 2025 26.

The department also requests approval of a transfer under WIC 17600.20(b) to address unfunded caseload growth from FY 2024-25. Together, these transfers will help stabilize the Social Services Fund, which has transitioned from a positive to a negative fund balance due to statewide changes in cost reporting, reimbursement timelines and increased program expenses. These conditions have limited the fund’s ability to absorb fluctuations in realignment revenue and expenditures.

Realignment revenues for FY 2025-26 will be received in July and August. Statutory authority allows up to 20% of Public Health Realignment revenues to be transferred and the total recommended transfer for FY 2025-26 will not exceed this cap. Based on current projections, the maximum allowable transfer is approximately $1,857,036 representing about 13.4% of expected Public Health Realignment revenue.

DHHS- Public Health is requesting authorization from the Humboldt County Board of Supervisors to transfer state and local program realignment funds from the Public Health Fund (3444) to the Social Services Fund (1160), pursuant to WIC 17600.20(a) and WIC 17600.20(b). Approval of this action will be provided to the State Controller’s Office as documentation that these transfers have been duly authorized by the Board.

Following receipt of final realignment allocations and completion of the associated journal entries and supplemental budget adjustments, DHHS- Public Health will return to the Humboldt County Board of Supervisors to present the finalized budget actions for review, approval and authorization for the Auditor-Controller to process.

DHHS - Public Health anticipates requesting an additional realignment transfer from Public Health to Social Services in FY 2026-27, pending caseload trends and revenue projections.

**SOURCE OF FUNDING:**
Public Health 1991 Realignment funds (trust 3444)

**FINANCIAL IMPACT:**

| ***Expenditures (3444)*** | **FY25-26** | **FY26-27 Projected*** |
|---|---|---|
| ***Budgeted Expenses*** | $1,857,036 | $1,100,000 |
| ***Total Expenditures*** | $1,857,036 | $1,100,000 |

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

| ***Funding Sources (3444)*** | **FY25-26** | **FY26-27 Projected*** |
|---|---|---|
| ***Fees/Other*** | $1,857,036 | $1,100,000 |
| ***Total Funding Sources*** | $1,857,036 | $1,100,000 |

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

Narrative Explanation of Financial Impact:

Realignment revenues for FY 2025-26 will be received in July and August. While statutory authority allows up to 20% of Public Health Realignment revenues to be transferred, the total recommended transfer for FY 2025-26 will not exceed this cap. Based on current projections, the maximum allowable transfer is approximately $1,857,036 representing about 13.4% of expected Public Health Realignment revenue.

DHHS - PHB anticipates requesting an additional realignment transfer from Public Health to Social Services in FY 2026-27, pending caseload trends and revenue projections.

**STAFFING IMPACT:**

Narrative Explanation of Staffing Impact:
There is no staffing impacts associated with this transfer and supplemental budget.

**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:**

1. California Government Code Section 30025
2. Welfare and Institutions Code Section 18986.86
3. Welfare and Institutions Code Section 17600.20
4. Fiscal Year 2024-2025 Caseload Growth Letter to SCO

**PREVIOUS ACTION/REFERRAL:**

Meeting of: 09/24/24; 04/14/26
File No.: 24-1357; 26-277