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2024 CHEAC Health Realignment Training

Thursday, November 14, 2024
Capitol Event Center
Sacramento, CA



Welcome & Housekeeping

- Interactive training
 - Don't be afraid to ask questions
 - We encourage you to discuss with colleagues and make connections
- Be sure to sign in and sign out
- Please silence phones and be present
- Restrooms located in hallway
- Wireless Internet Information:
 - **Network:** CEC_Guest
 - **Password:** CEC2018wifi

Training Agenda

8:30 am	Doors Open/Check-in Begins
9:00 am	Welcome & Training Overview
9:10 am	Historical Background of 1991 Realignment <ul style="list-style-type: none"> • Intent of Realignment • Political Context
10:00 am	Break
10:15 am	1991 Realignment Structure <ul style="list-style-type: none"> • Overview of Structure • Accounts & Subaccounts • Rolling Base & Growth • Caseload Estimates
11:00 am	Break
11:15 am	Practice Exercise
11:30 am	1991 Health Realignment <ul style="list-style-type: none"> • AB 8 Report Examples • Allowable Realignment Uses • How much Realignment should I receive? • Maintenance of Effort (MOE) • Local Decisions (funding split between public health & indigent health; funding shifts between buckets) • AB 85 (base timing, growth timing, true-up)
12:30 pm	Lunch
1:00 pm	Realignment Risks & Pressures Panel <ul style="list-style-type: none"> • Health • Mental Health • Social Services
2:00 pm	Break
2:15 pm	Realignment Tools & Tracking <ul style="list-style-type: none"> • Local Tracking Process • Forecasting Realignment & Budgeting
3:00 pm	Breakout Discussions
3:30 pm	Closing Remarks <ul style="list-style-type: none"> • Dos & Don'ts of Realignment
4:00 pm	Adjourn

1991 Realignment

Diane Cummins
Presentation to CHEAC
November 14, 2024

What Is Realignment About?

The State-County Relationship

Counties are unique in providing services on behalf of the state

Realignment is about that relationship:

- Governance: who does what?
- Services: a better way to provide services to clients
- Money: a way to infuse more money into the system with protections

It's Important to Remember...

- Context is critical – what was happening when realignment was proposed and what was the alternative
- Generates a lot of interest – new revenue in 1991
- Everything is a compromise, including with 58 counties, so realignment isn't perfect
- Counties are key partners - it has to work on the ground
- Leadership, relationships, and trust are important in finding workable solutions
- Every policy has consequences and unintended consequences

The Very Beginning

Proposition 13 (1978) - the consequential change in the state-local relationship:

- Reduced the property tax to 1% on a county-wide basis
- All local government lost about \$6.88 billion
- State bail out in 1978-79 with funds from GF Reserve
- As part of the 1979-80 budget, the state passed AB 8 which provided long term fiscal relief to locals - money from the reallocation of the property tax and shares of cost for counties
- Also as part of AB 8, the state created the AB 8 Health Block Grant
- AB 8 contained a Deflator in case the state couldn't afford the bailout

What Happened Next

The state couldn't sustain the on-going bailout

- Budget reductions included taking Vehicle License Fee (VLF) revenue from cities and counties in lieu of the deflator reductions
- The 1982-83 budget also included the transfer of the Medically Indigent Adult (MIA) program to counties (from Medi-Cal) with 70% of state funding
- More VLF reductions mid-year after Governor Deukmejian elected
- Locals complained and the Governor created the New Partnership Task Force to review the relationship
- One of the ideas for stability of funding for counties was **realignment**
- Concept: state fund entitlement/counties fund discretionary programs with a portion of the state's tax base

The Time Was Right in 1991

- Previous attempts had failed but there were “productive” discussions
- 1991 January Budget gap was \$7 billion. Cuts could have **eliminated** discretionary funding for health and mental health care
- Instead the Governor proposed a \$942 million tax increase to fund the subventions through a realignment (alcohol beverage tax and a change to the VLF depreciation schedule). Plus half cent local sales tax authority for public safety
- Budget shortfall grew to \$14.3 billion and Realignment increased to \$2.2 billion by adding programs and shares-of cost changes in mostly human services programs. Funding was VLF and a new half cent sales tax
- First year is replacement of General Fund; benefit is GROWTH

Components of 1991 Realignment

(in millions)				
Transferred Programs		COSTS SHIFTED TO COUNTIES		
<i>Mental Health</i>		\$750		
•	Community-based Mental Health Programs ^a	452		
•	State Hospital Services for County Patients	210		
•	Institutions for Mental Diseases (IMDs)	88		
<i>Public Health</i>		\$506		
•	AB 8 County Health Services	503		
•	Local Health Services (LHS)	3		
<i>Indigent Health</i>		\$435		
•	Medically Indigent Services Program (MISP) ^b	348		
•	County Medical Services Program (CMSP)	87		
<i>Local Block Grants</i>		\$52		
•	County Stabilization Subventions	15		
•	County Juvenile Justice Subventions	37		
County Cost-Sharing Ratio Changes		STATE/COUNTY SHARES OF NONFEDERAL^c PROGRAM COSTS		COSTS SHIFTED TO COUNTIES
		PRIOR LAW	REALIGNMENT	
<i>Health</i>				
•	California Children's Services	75 / 25	50 / 50	\$30
<i>Social Services</i>				\$411
•	AFDC - Foster Care (AFDC-FC) ^d	95 / 5	40 / 60	363
•	Child Welfare Services (CWS) ^e	76 / 24	70 / 30	42
•	In-Home Supportive Services (IHSS) ^{a,f}	97 / 3	65 / 35	235
•	County Services Block Grant (CSBG) ^g	84 / 16	70 / 30	13
•	Adoption Assistance Program	100 / 0	75 / 25	12
•	Greater Avenues for Independence (GAIN) Program	100 / 0	70 / 30	26
•	AFDC - Family Group and Unemployed Parent (AFDC FG & U)	89 / 11	95 / 5	-155
•	County Administration (AFDC-FC, FG, U, foodstamps)	50 / 50	70 / 30	-95
Net Additional County Expenditures				\$2,212

Issues and Solutions

Structure of the new revenue

- One or more accounts?
- Need a caseload account to fund the reimbursable mandate of shares of cost (but based on costs two years prior)
- Mental Health wanted its own account so ended up with 3 primary accounts (four with CMSP)

Allocation of growth (growth dollars deposited into growth accounts)

- Given to CSAC to decide though caseload had to be funded first
- Counties chose to fund equity first, then growth for mental health and health

Issues and Solutions

What's the base?

- The base is a rolling base – this year's base plus growth equals next year's base
- Revenue is subject to declines and if it goes below the base, the base declines and is not restored – less predictability
- Only caseload costs must be tracked and funded

Could the state specify use of VLF since it was constitutionally protected as a local revenue?

- First used for the Health Account
- In order to receive a new dollar, had to deposit an existing dollar (MOE)

Issue and Solutions

Finalized for the 1991-92 final budget but no immediate cash

- Changed the fiscal year for Realignment
- Sales tax is September through August; VLF is August through July

Flexibility

- Mental Health – purchase a state hospital bed versus a community program
- Health – based on needs of the county – use funds for indigent health or public health
- Transferability between accounts for more flexibility

Issues and Solutions

Lawsuits and potential legal actions:

Education (Prop 98) interested in ½ cent sales tax

- Poison pill: if sales tax subject to Prop 98, it goes away

Lawsuits regarding the MIA transfer. Was it a reimbursable mandate?

- Poison pill: if determined to be a reimbursable mandate, the VLF additional funding would go away (it was and it didn't)

What if any of the realigned programs were determined to be a reimbursable mandate?

- Poison pill: the whole structure would go away

In Hindsight

The Good

- New revenue into the system with growth not subject to whims of the state budget and saved funding for important programs
- Some positive policy benefits

But

- Realigned programs were underfunded
- Revenue may not keep up with increasing costs of inflation and population
- Federal or state government may change programs and structure and add costs
- Poison pills plus ongoing budget gaps limited the conversation; no formal mechanism for review or continued discussions

A Word About The Money

The current value of 1991 Realignment revenue is \$7.5 billion (as of May Revision, 2024)

- \$1.3 billion for Health
- \$2.8 billion for Social Services
- \$557.7 million for Mental Health
- \$1.12 billion for CalWORKs MOE Account (\$1.12 billion for Mental Health now funded in 2011 Realignment)
- \$630.6 million for Family Support (estimated county savings from state implementation of the ACA)
- \$1.1 billion for Child Poverty (funds grant increases for CalWORKs). Otherwise would have been available for growth funds

A Few Thoughts

What about reserves? Good to have but don't over reserve

The funds can be used for anything associated with a program

Subject to local audit but state could audit if complaints

Funds need to stay local – has future consequences

Change can happen in any year (e.g. In-Home Supportive Services)

Different Governors and Legislatures may have different views of
Realignment

1991 Realignment Structure



1991 Realignment Structure Contents

- Funding Sources
- Organization of Accounts
- Sales Tax & Vehicle License Fee Distribution
- Trust Fund Accounts
- Rolling Base Concept
- Year-Over-Year Realignment Scenario
- Caseload Growth
- Transfer Provisions

Realignment Funding Sources

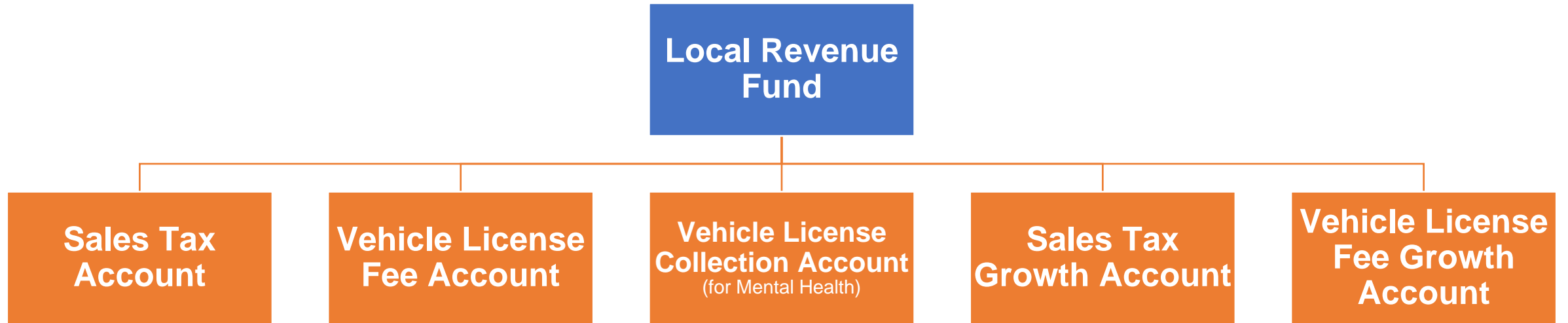
**Sales Tax (ST)
Revenue**

(1/2 cent)

**Vehicle License
Fee (VLF)
Revenue**

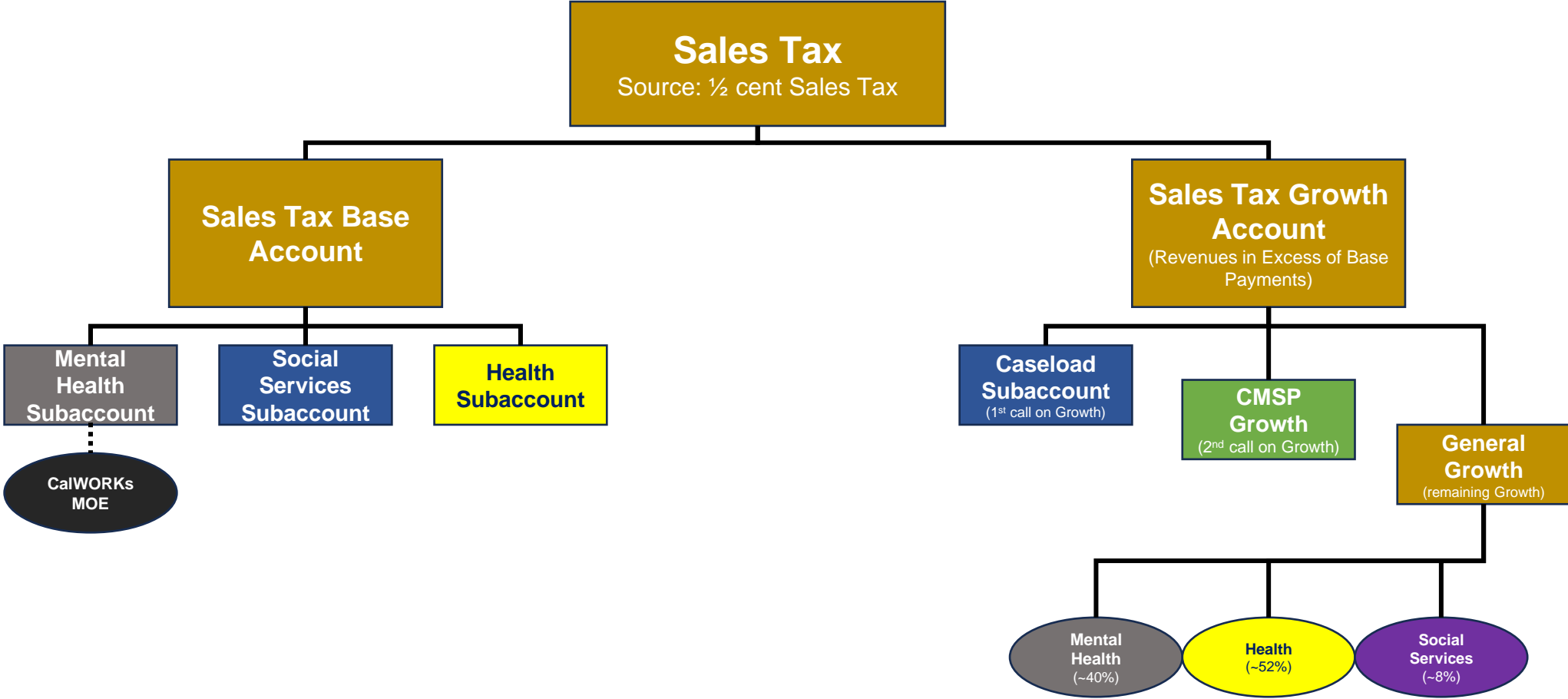
(74.9%)

Organization of Accounts



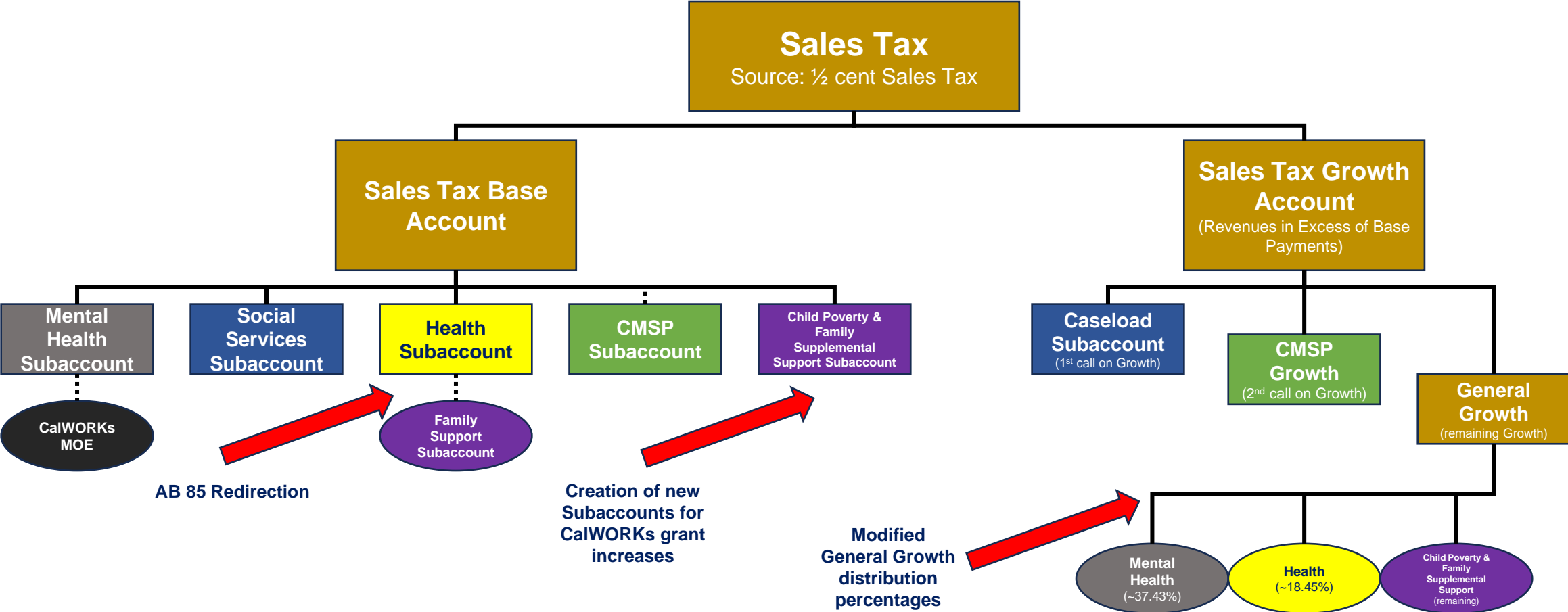
1991 Realignment – Sales Tax Distributions

Pre-AB 85



1991 Realignment – Sales Tax Distributions

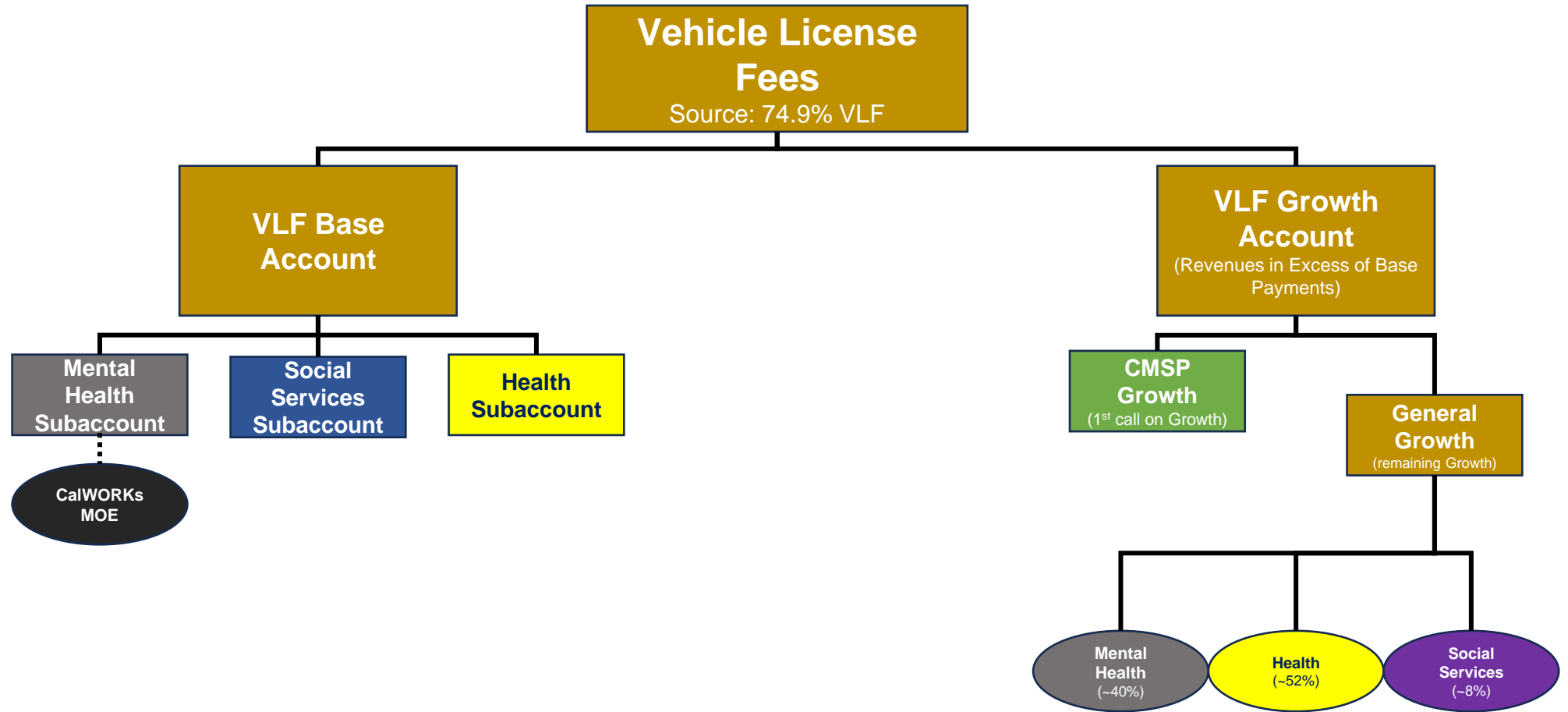
Post-AB 85 / Current



No more General Growth for SS; Family Support to receive remaining

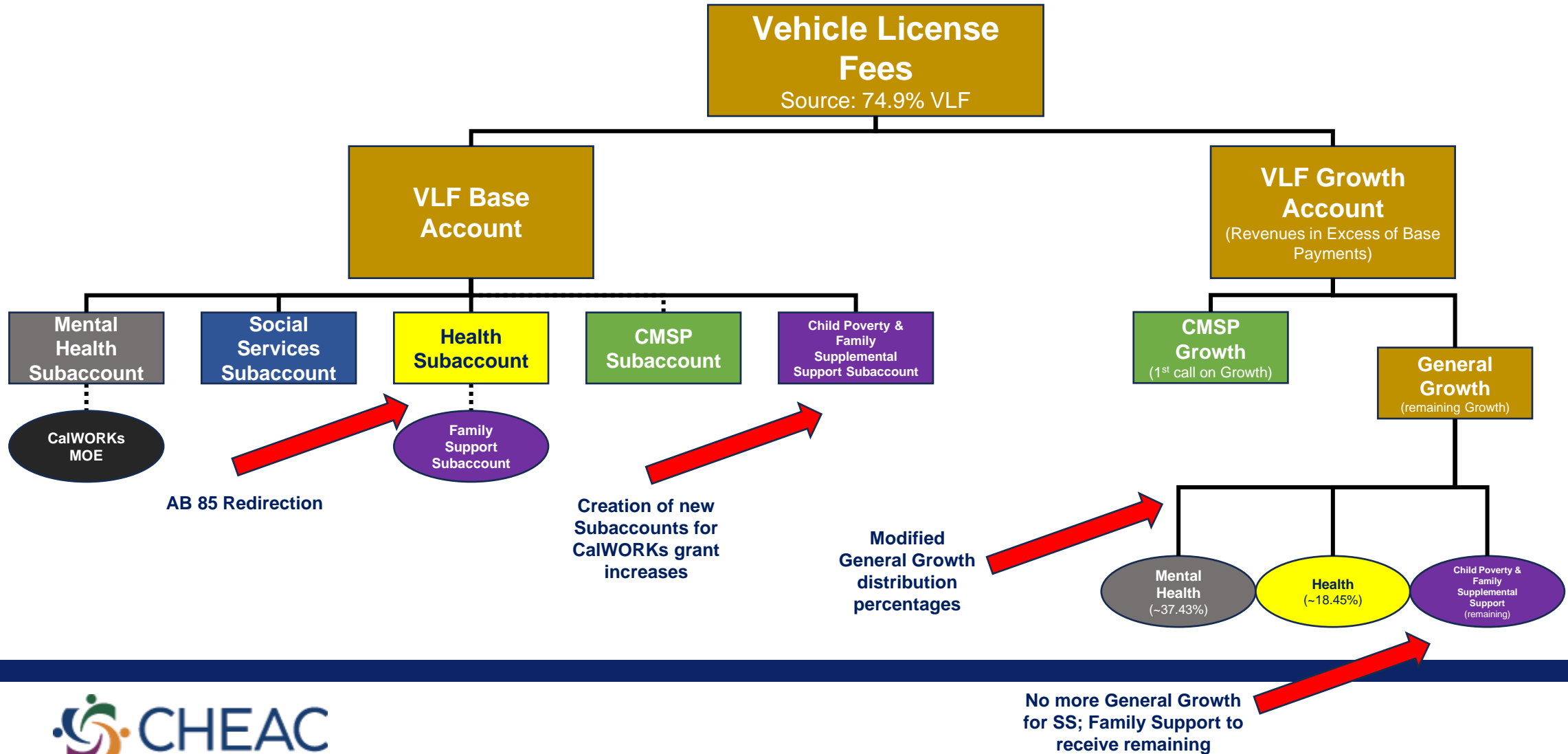
1991 Realignment – Vehicle License Fee Distributions

Pre-AB 85



1991 Realignment – Vehicle License Fee Distributions

Post-AB 85 / Current



Local Health & Welfare Trust Fund Accounts

WIC 17600.10 requires each jurisdiction to maintain:

Health Account

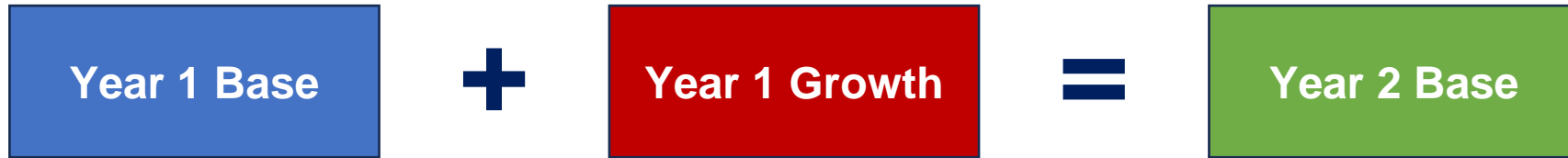
**Social Services
Account**

**Mental Health
Account**

**Family Support
Subaccount**

**CalWORKs MOE
Subaccount**

Key Concept: Rolling Base Determination



Example: Base Met,
Growth Available

\$100

\$10

\$110

.....

No Base Restoration – If base funding is not met in FY, next FY base starts lower

Example: Base Not
Met, Growth
Unavailable

\$100



\$90



\$90

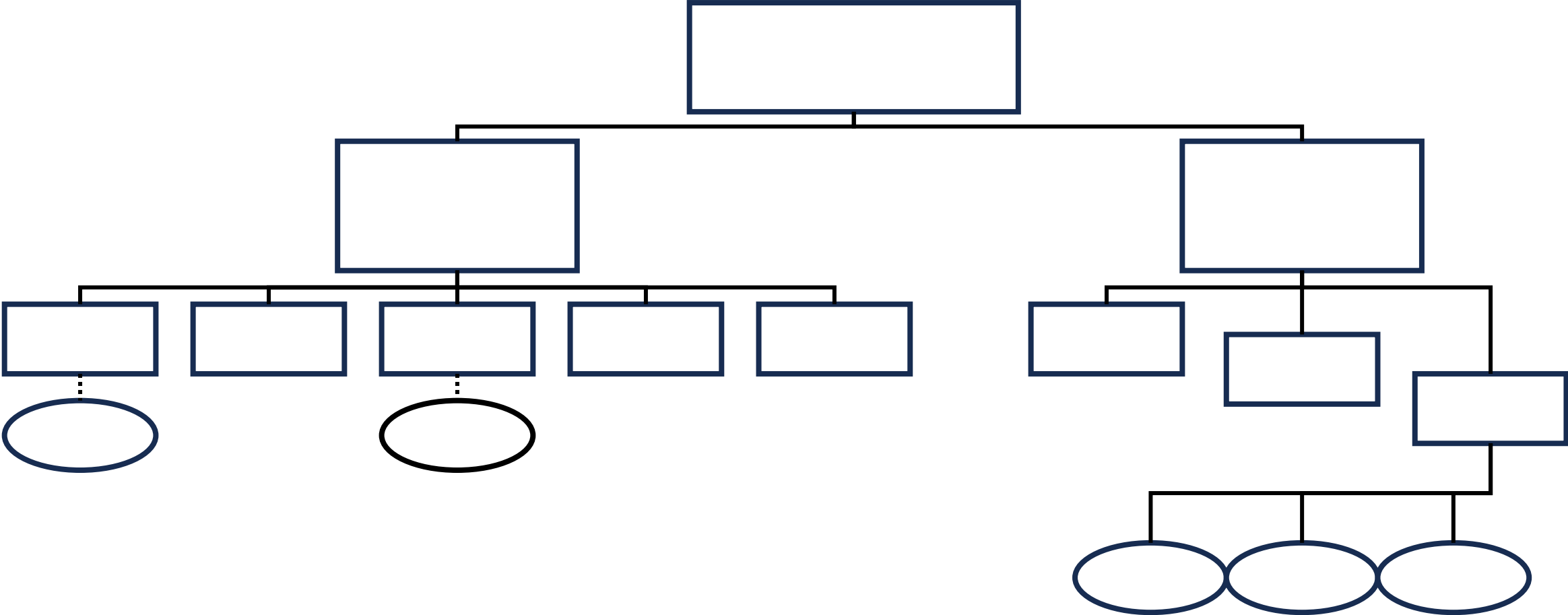
Revenues come in lower
than projected, no Growth
available

Next FY base is lower

Practice Exercises



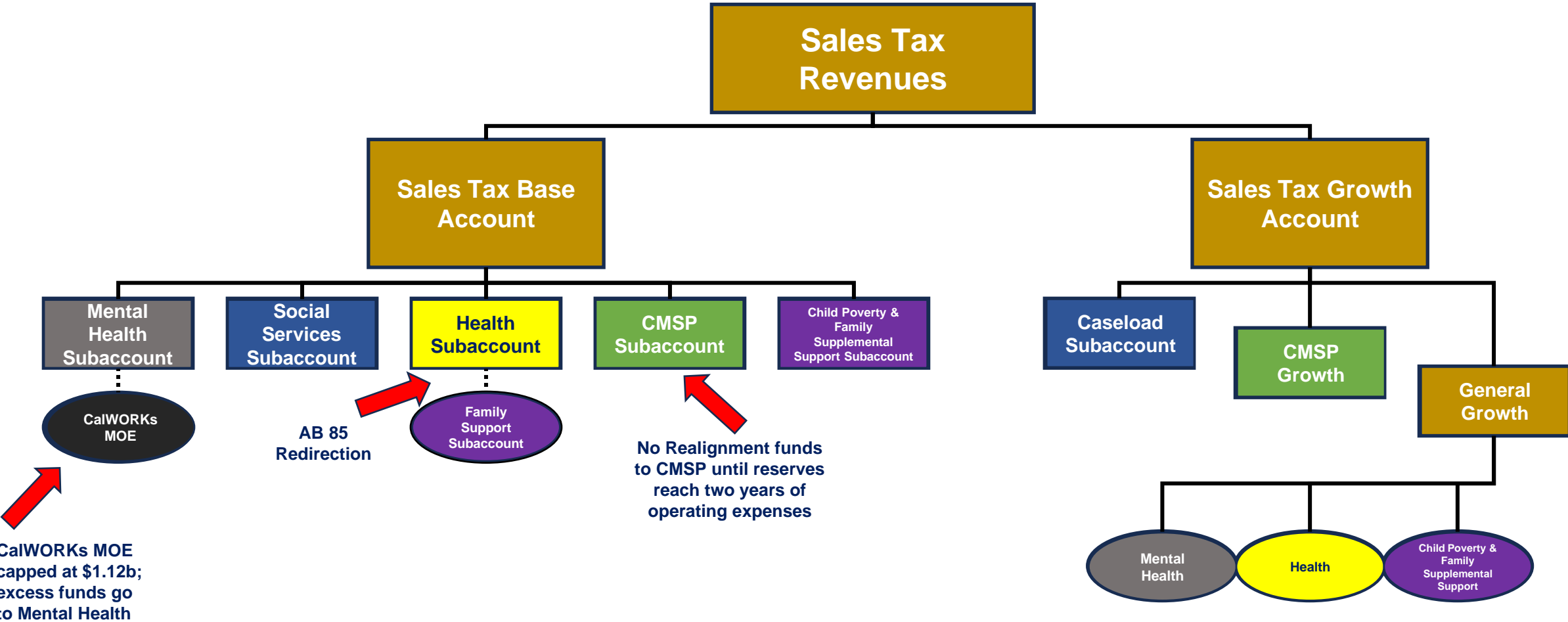
Fill in the Blanks – Sales Tax



Fill in the Blanks – Sales Tax Terms

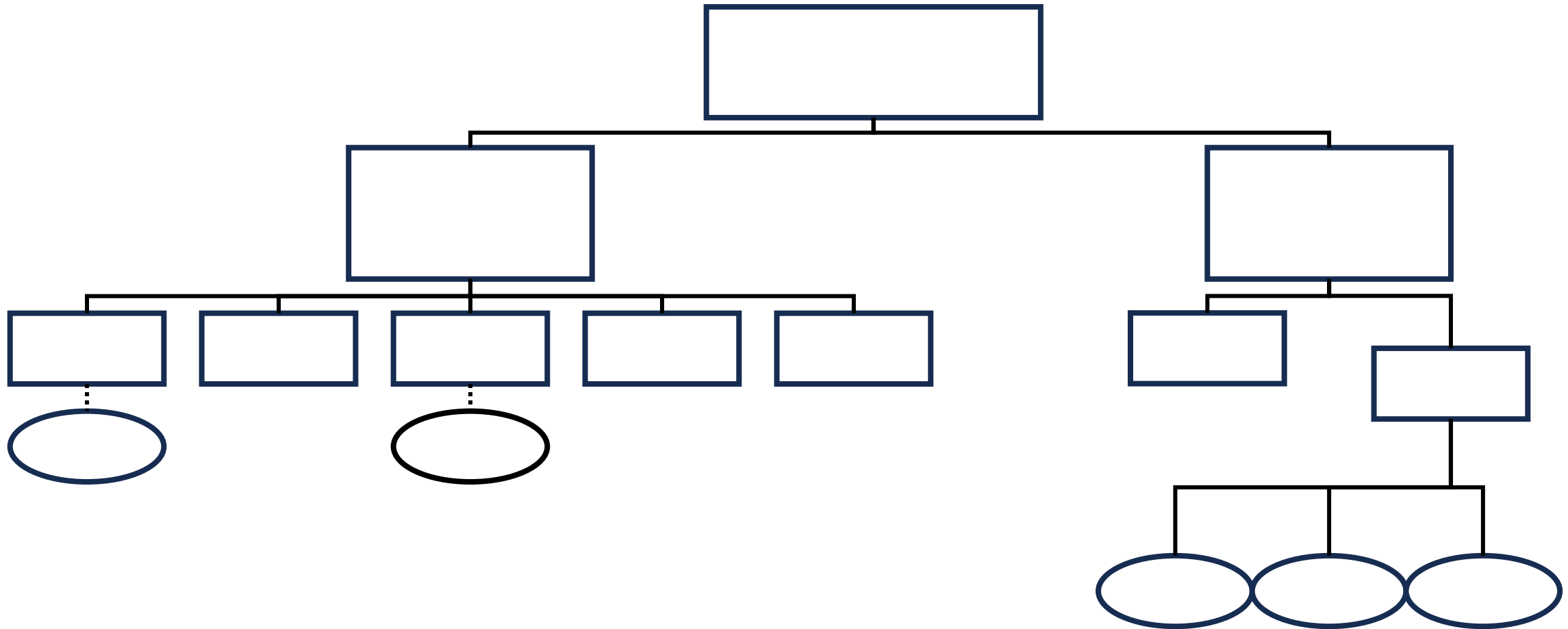
CMSP Subaccount	Mental Health Subaccount	Sales Tax Base Account	Health Subaccount	Sales Tax Growth Account	Social Services Subaccount
Health General Growth	Sales Tax Revenue	CMSP Growth	CalWORKs MOE Subaccount	Caseload Growth	Child Poverty & Family Supp. Support Subacct.
	Mental Health General Growth	Family Support Subaccount	General Growth	Child Poverty & Family Supp. Support General Growth	

Fill in the Blanks – Sales Tax Solution



~37.43% **~18.45%** **Remaining (~44.11%)**

Fill in the Blanks – Vehicle License Fees



Fill in the Blanks – Vehicle License Fees Terms

Social Services
Subaccount

Health
Subaccount

VLF Growth
Account

Mental Health
Subaccount

Health General
Growth

CMSP
Subaccount

General Growth

VLF Base
Account

Mental Health
General Growth

Child Poverty &
Family Supp.
Support
General Growth

CMSP Growth

CalWORKs
MOE
Subaccount

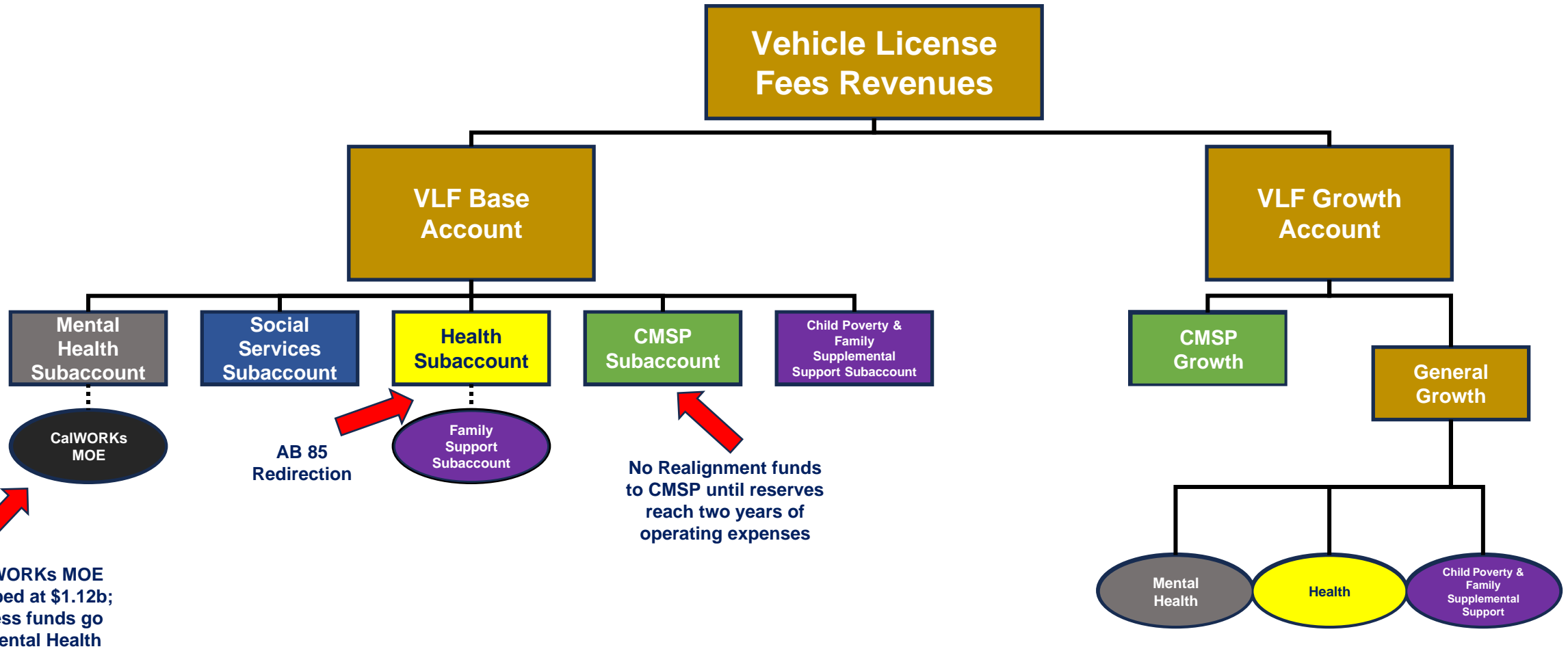
VLF Revenue

Child Poverty &
Family Supp.
Support
Subacct.

Family Support
Subaccount

Fill in the Blanks – Vehicle License Fees

Solution



~37.43% ~18.45% Remaining (~44.11%)

1991 Realignment: Subject to Policy Changes

**AB 85
Redirection
(2013)**

**Coordinated
Care Initiative
(2017)**

**CMSP
Diversion
(2019)**

Year-Over-Year Realignment Scenario

Fiscal Year	Base	Caseload Growth	Actual Growth Revenue	Caseload Growth Paid	Caseload Growth Owed	Caseload Balance	Growth Available for CMSP & General Growth
2007-08	\$100	\$50	\$20	\$20	\$30 (FY 2007-08)	\$30	\$0
2008-09	\$120	\$60	\$10	\$10 (FY 2007-08)	\$20 (FY 2007-08) \$60 (FY 2008-09)	\$80	\$0
2009-10	\$130	\$40	\$70	\$20 (FY 2007-08) \$50 (FY 2008-09)	\$20 (FY 2007-08) \$10 (FY 2008-09) \$40 (FY 2009-10)	\$50	\$0
2010-11	\$200	\$20	\$100	\$10 (FY 2008-09) \$40 (FY 2009-10) \$20 (FY 2010-11)	\$10 (FY 2008-09) \$40 (FY 2009-10)	\$0	\$30

1991 Realignment Caseload Growth

- Eight realigned programs subject to caseload growth increases
- Caseload growth = **program expenditures** (not actual caseload figures)
- Caseload growth has first call on ST to ensure entitlement programs are funded first
- Unlike base, unfunded caseload growth from one FY carries to future FY until balance is fully paid

CalWORKs Assistance

CalWORKs Employment Services

Foster Care Assistance

Adoption Assistance

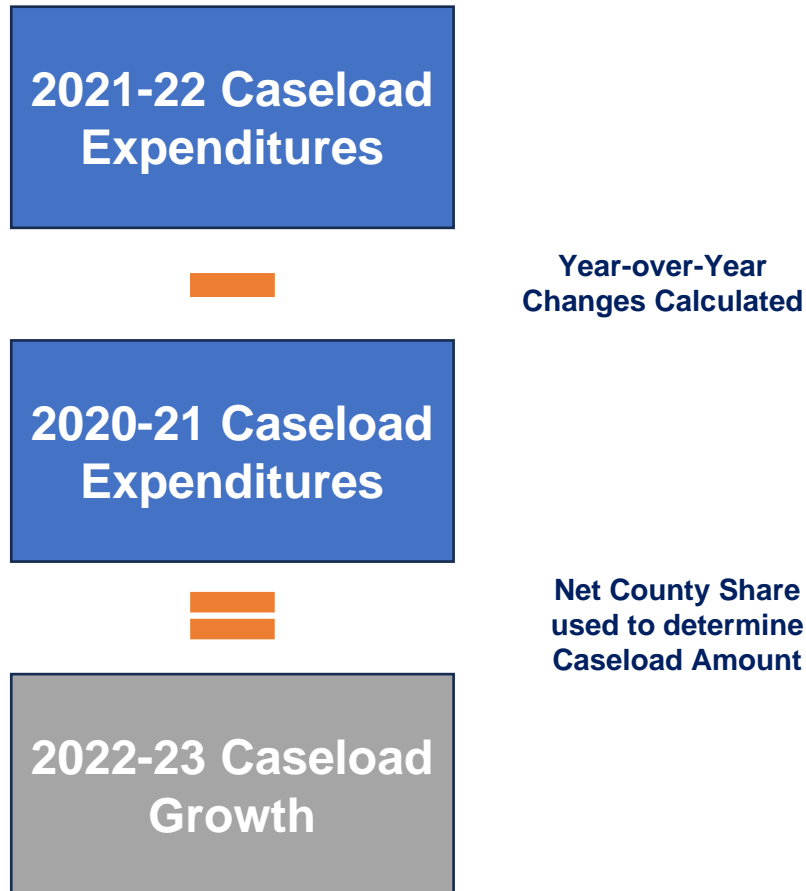
Child Welfare Services

IHSS

County Administration (SS)

California Children's Services

Calculating Caseload Growth



- If sum is positive:
 - County is due that amount in caseload growth funding
 - Deposit made to Caseload Growth subaccount
- If sum is negative:
 - County is “held harmless”
 - Negative amount is set to zero
- Total of all positive caseload growth amounts becomes the statewide 1991 Realignment caseload growth amount for FY

Caseload Growth Schedule

FY 2022-23 REALIGNMENT COUNTY GROWTH SUMMARY -- Growth/Decline from FY 2020-21 to FY 2021-22

COUNTIES	CalWORKs Payments	CalWORKs / FC / CalFresh Admin	Foster Care/EAFC Assistance	CWS (Incl. FPP)	AAP	IHSS-PCSP	CCS	NET FY 22-23 County Share Growth/Reduction	ADJUSTED NET FY 22-23 County Share Growth/Reduction Positive Growth Only
ALAMEDA	(\$54,729)	(\$1,667,428)	(\$435,785)	\$911,330	(\$50,233)	\$4,036,421	\$662,225	\$3,401,801	\$3,401,801
ALPINE	(\$2)	(\$17,455)	(\$19)	(\$1,146)	\$0	\$4,508	\$0	(\$14,114)	\$0
AMADOR	(\$4,367)	(\$22,782)	\$143,452	\$21,175	\$5,943	\$18,626	\$648	\$162,695	\$162,695
BUTTE	(\$6,212)	(\$210,622)	(\$39,542)	\$233,022	\$114,513	\$728,219	\$7,056	\$826,433	\$826,433
CALAVERAS	\$4,662	(\$17,490)	\$66,153	\$24,671	\$13,488	\$38,760	(\$9,482)	\$120,762	\$120,762
COLUSA	\$577	(\$6,731)	(\$107,312)	\$8,089	\$4,454	\$26,531	(\$6,664)	(\$81,056)	\$0
CONTRA COSTA	(\$1,794)	(\$671,274)	(\$1,095,314)	\$34,495	(\$119,291)	\$1,775,723	(\$29,373)	(\$106,828)	\$0
DEL NORTE	(\$5,044)	\$20,601	\$51,190	\$46,957	\$35,898	\$47,468	\$0	\$197,070	\$197,070
EL DORADO	(\$8,370)	(\$265,000)	(\$506,355)	\$38,040	\$42,917	\$133,604	\$208	(\$564,956)	\$0
FRESNO	(\$66,157)	(\$789,281)	\$1,357,399	\$1,109,620	\$246,791	\$1,931,760	(\$103,523)	\$3,686,609	\$3,686,609
GLENN	(\$2,677)	(\$37,319)	(\$49,517)	\$13,743	\$23,075	\$52,943	\$4,651	\$4,899	\$4,899
HUMBOLDT	(\$6,242)	(\$116,944)	(\$190,811)	\$348,619	\$72,316	\$173,196	(\$7,435)	\$272,699	\$272,699
IMPERIAL	\$16,959	(\$125,548)	\$329,219	\$96,849	(\$28,254)	\$522,379	(\$13,849)	\$797,755	\$797,755
INYO	(\$951)	(\$75,546)	\$23,095	\$24,257	\$2,136	\$31,738	(\$8,971)	(\$4,242)	\$0
KERN	\$10,473	\$10,998	(\$700,032)	\$498,356	(\$16,823)	\$450,371	\$149,299	\$402,642	\$402,642
KINGS	\$4,676	(\$58,969)	(\$194,564)	\$82,707	\$38,534	\$186,540	\$27,750	\$86,674	\$86,674
LAKE	(\$2,819)	(\$153,280)	(\$241,410)	\$92,679	\$13,093	\$412,474	\$10,860	\$131,597	\$131,597
LASSEN	\$671	(\$1,642)	\$134,870	\$43,146	(\$9,255)	\$16,934	(\$126)	\$184,597	\$184,597
LOS ANGELES	(\$217,446)	(\$12,909,175)	(\$8,497,904)	\$23,193,003	(\$918,459)	\$24,577,543	\$736,040	\$25,963,602	\$25,963,602
MADERA	\$14,243	(\$280,274)	(\$7,854)	\$158,765	\$18,496	\$338,474	(\$33,681)	\$208,169	\$208,169
MARIN	\$652	(\$39,625)	(\$180,182)	\$80,868	(\$17,153)	\$704,806	(\$60,556)	\$488,811	\$488,811
MARIPOSA	(\$1,615)	\$4,883	(\$41,317)	\$23,162	\$5,916	\$29,323	\$33,690	\$54,042	\$54,042
MENDOCINO	(\$7,373)	(\$104,728)	\$834,034	\$104,178	\$42,180	\$225,992	\$124	\$1,094,407	\$1,094,407
MERCED	\$14,871	(\$292,635)	(\$207,007)	\$40,367	(\$61,594)	\$282,798	(\$41,705)	(\$264,906)	\$0

DOF Realignment County Caseload Growth Summary

CCS Caseload

		Diagnostic and Treatment				Therapy				Total
	County	Diagnostic (DX) and Treatment (TR)	Bone Marrow	H&SC 123945 Relief	County Share DX & TR	Therapy (TH)	AB 3632	Total Therapy	County Share TH	Total Expend DX, TR &
A	B	C	D	E	F=(C2)-D-E	G	H	I=G+H	J=G/2	K=C+I
1	Alameda	191,699	-	-	95,849	6,718,017	23,252	6,741,269	3,359,009	
2	Alpine	-	-	-	-	-	-	-	-	
3	Amador	3,835	-	-	1,917	-	-	-	-	
4	Butte	3,339	-	-	1,670	693,328	5,116	698,444	346,664	
5	Calaveras	-	-	-	-	146,539	3,328	149,867	73,269	
6	Colusa	385	-	-	193	1,453	-	1,453	727	
7	Contra Costa	111,913	-	-	55,957	4,717,536	10,497	4,728,033	2,358,768	
8	Del Norte	12	-	-	6	-	-	-	-	
9	El Dorado	31,617	-	-	15,809	849,602	9,061	858,663	424,801	
10	Fresno	266,641	-	-	133,320	2,617,477	5,547	2,623,024	1,308,738	
11	Glenn	7,804	-	-	3,902	31,672	28	31,700	15,836	
12	Humboldt	2,501	-	-	1,251	742,449	14,828	757,277	371,224	
13	Imperial	10,482	-	-	5,241	-	-	-	-	
14	Inyo	11	-	-	6	1,594	12,929	14,523	797	

DHCS CCS FY Expenditures per DHCS Records

Below is the crosswalk for the 1991 Realignment Detail Report. This crosswalk describes each column, including where it can be found on the corresponding county invoice(s). Specifically, the crosswalk includes the DTT and TLICP invoices for quarter 1 through quarter 4.

Column Letter (TRDETAIL tab)	Column Title	Description	Location on Invoice Where Data Can Be Located	Notes to Assist with Review of Data
B	County	The name of the county reporting the data	DTT – Top left-hand-side of the invoice template TLICP – Top left-hand-side of the invoice template	Verify the correct county name
C	Diagnostic (DX) and Treatment (TR)	Funds used for DX & TR	CCS Diagnostic and Treatment Quarterly Expenditure Reporting (DTT) – Part I Summary Report of Diagnostic and Treatment Expenditures – Line 3a Net Diagnostic and Treatment (1e + 2g)	This amount is calculated by adding the totals from Total DX, TR, SB75 TR, RX, and Dental (column H) for each of the TRTQTR tabs
D	Bone Marrow	Data related to bone marrow treatment expenditures	N/A	N/A
E	H&SC 123945 Relief Funding	Expenditures for emergencies or cases medical cannot be delayed without great harm to the child	CCS Diagnostic and Treatment Quarterly Expenditure Reporting (DTT) – Part I Summary Report of Diagnostic and Treatment Expenditures – Line 1g and 2i, Emergency Relief Funding (100% State)	The County of Supervisors' signed request must be on file with DHCS and have met the provisions of H&S Codes 123495 & 123400
F	County Share DX & TR	Amount reportable as actual county share of	CCS Diagnostic and Treatment Quarterly	This amount is calculated by adding the totals from Total

DHCS CCS Expenditure Review Crosswalk Guide

Transfer Provisions

Transfers must be made by BOS, are in effect for one FY, and SCO must be notified

Interaccount Transfer (WIC 17600.20(a))

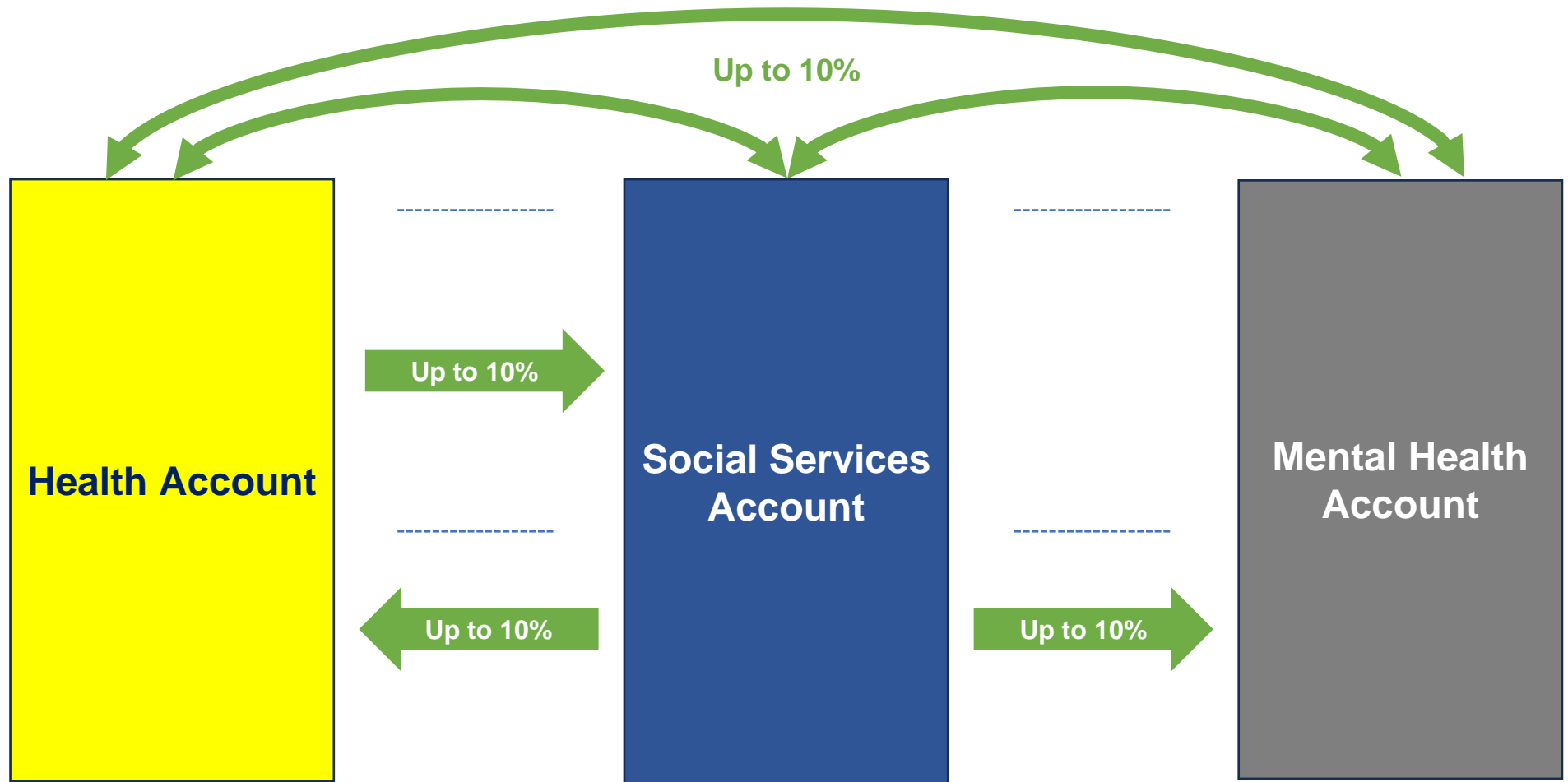
Transfers up to 10% annual revenue between any three accounts

Health to SS Transfer (WIC 17600.20(b))

Additional 10% from Health to SS to offset caseload increases for mandated programs in excess of revenue growth

SS Transfer (WIC 17600.20(d))

Additional 10% from SS to other accounts when excess revenues exist in SS beyond necessary amount



Practice Exercises



Rolling Base Determination

1) Year 1 revenues received totaled \$700.
Year 1 growth funds totaled \$60.

What is the total base for Year 2?

2) Year 3 base was \$800. Revenues received during Year 4 totaled \$600.

What is the following year's base amount?

Rolling Base Determination Solution

1) Year 1 revenues received totaled \$700.
Year 1 growth funds totaled \$60.

\$760

What is the total base for Year 2?

2) Year 3 base was \$800. Revenues received
during Year 4 totaled \$600.

\$600

What is the following year's base amount?

Caseload Growth Calculation

	CaWORKs Assistance	CaWORKs Employment Assistance	Foster Care Assistance	Adoption Assistance	Child Welfare Services	IHSS	County Administration	California Children's Services
2020-21 Caseload	\$75	\$10	\$65	\$35	\$85	\$120	\$70	\$90
2021-22 Caseload	\$60	\$20	\$50	\$20	\$115	\$140	\$55	\$70
2022-23 Caseload Growth								

1) Calculate 2022-23 Caseload Growth across all eight Social Services programs.

2) Determine the Net County Share for 2022-23. What is the Net County Share used for Growth distribution?

Caseload Growth Calculation Solution

	CalWORKs Assistance	CalWORKs Employment Assistance	Foster Care Assistance	Adoption Assistance	Child Welfare Services	IHSS	County Administration	California Children's Services
2020-21 Caseload	\$75	\$10	\$65	\$35	\$85	\$120	\$70	\$90
2021-22 Caseload	\$60	\$20	\$50	\$20	\$115	\$140	\$55	\$70
2022-23 Caseload Growth	(\$15)	\$10	(\$15)	(\$15)	\$30	\$20	(\$15)	(\$20)

1) Calculate 2022-23 Caseload Growth across all eight Social Services programs.

2) Determine the Net County Share for 2022-23. What is the Net County Share used for Growth distribution? **Net County Share = (\$20); For Growth = \$0**

General Growth Distribution

1) Calculate how much Sales Tax growth is available for CMSP and General Growth.

Base	Growth Revenues	Caseload Growth	Growth Available for CMSP + General Growth
\$80	\$16	\$10	

2) Calculate distribution of General Growth for Health, Mental Health, Child Poverty & Family Supplemental Support Subaccounts.

ST General Growth Amount	VLF General Growth Amount
\$100	\$50

General Growth Distribution Solution

1) Calculate how much Sales Tax growth is available for CMSP and General Growth.

Base	Growth Revenues	Caseload Growth	Growth Available for CMSP + General Growth
\$80	\$16	\$10	\$6

2) Calculate distribution of General Growth for Health, Mental Health, Child Poverty & Family Supplemental Support Subaccounts.

Sales Tax
Health: \$18.45
MH: \$37.43
CPFSS: \$44.11

ST General Growth Amount	VLF General Growth Amount
\$100	\$50

VLF
Health: \$9.23
MH: \$18.72
CPFSS: \$22.06

1991 Health Realignment



Health Realignment Structure Contents

- AB 8 County Health Services Report
- Realigned Health Programs
- Allowable Realignment Uses
- Health Maintenance of Effort (MOE)
- AB 85
- Local Decisions

AB 8 County Health Services Block Grant

- Included in AB 8 (Chapter 282, Statutes of 1979) and was part of state's response to Prop. 13
- Block grant funding for indigent care (inpatient and outpatient) and public health services
- Required each jurisdiction to adopt a county health services plan and budget indicating services provided
- Counties must provide matching funds to receive full share

FORM II (a)

LIST OF PROGRAMS INCLUDED IN PUBLIC HEALTH SERVICE
CATEGORY (FY 1978-79)

Instructions: Use this form to list all programs included in the public health category. Separate the programs into services provided directly by the county; services provided through contracts with cities; and services provided through contracts with other providers.

Program (Title or Description)

<p>Services Provided Directly by County</p>	<p>Public Health Statistics Health Education Communicable Disease Control Maternal and Child Health Environmental Health Nutrition Education Chronic Disease Counseling & Consultation - Social Factors Family Planning Public Health Nursing CHDP Crippled Children Services Jail Health (Inspections) Rabies Control</p>
<p>Services Provided Through Contracts With Cities (Give Name of City)</p>	
<p>Services Provided Through Contracts With Other Providers (Give Name of Contractor)</p>	

1991 Realigned Health Programs

- AB 8 County Health Services Block Grant unsustainable
- 1991 Realignment legislation replaced state funding for AB 8 County Health Services Block Grant

Public Health

Non-exhaustive; must be consistent with AB 8 report

- Communicable Disease Control
- Chronic Disease Prevention
- Immunizations
- Maternal, Child, and Adolescent Health
- Public Health Nursing
- Public Health Laboratories
- Health Education

Indigent Health

- WIC 17000: Every county and every city and county shall relieve and support **all incompetent, poor, indigent persons, and those incapacitated by age, disease, or accident**, lawfully resident therein, when such persons are not supported and relieved by their relatives or friends, by their own means, or by state hospitals or other state or private institutions.

Allowable Realignment Uses

WIC 17609

Funds deposited into a county's health and welfare trust fund may be expended only for the purposes of providing those mental health, public health, indigent health care, social services, and juvenile justice programs **transferred or otherwise financed** pursuant to the realignment established under Chapters 89 and 91 of the Statutes of 1991.

WIC 17609.01

Funds deposited in the health account may be expended only for **public health and indigent health care services**.

Health Maintenance of Effort

Jurisdiction	Amount
Alameda	\$ 20,545,579
Alpine	21,465
Amador	278,460
Butte	724,304
Calaveras	0
Colusa	237,754
Contra Costa	10,114,331
Del Norte	44,324
El Dorado	704,192
Fresno	10,404,113
Glenn	58,501
Humboldt	589,711

- [WIC 17608.10](#) requires jurisdictions to contribute local General Fund into the Health Account as a condition of receiving 1991 Realignment Sales Tax Allocations

ACA Impacts to 1991 Realignment

- AB 85 (Chapter 24, Statutes of 2013)
- Redirected revenues from Health Subaccount
- Created two new subaccounts to fund CalWORKs grant increases:
 - Family Support Subaccount
 - Child Poverty and Family Supplemental Support Subaccount
- Modified General Growth Distribution
 - Health: 52% → 18.45%

AB 85 Premise



With adoption of ACA, more residents would gain health insurance coverage via Medi-Cal and Covered CA...

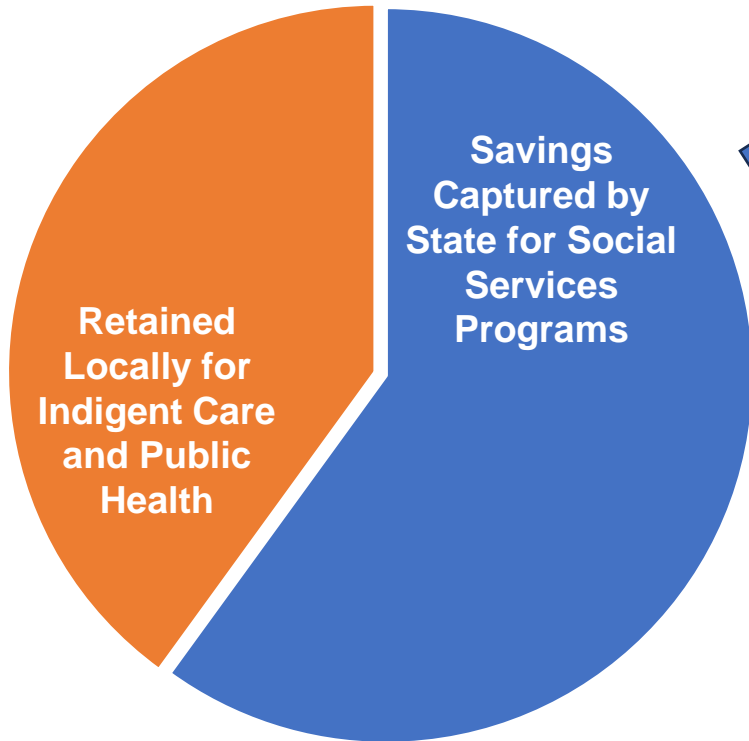
... and counties would realize a decrease in demand for indigent care services.



As a result, the State would redirect county savings for other policy priorities.

AB 85 (Chapter 24, Statutes of 2013)

Health Realignment



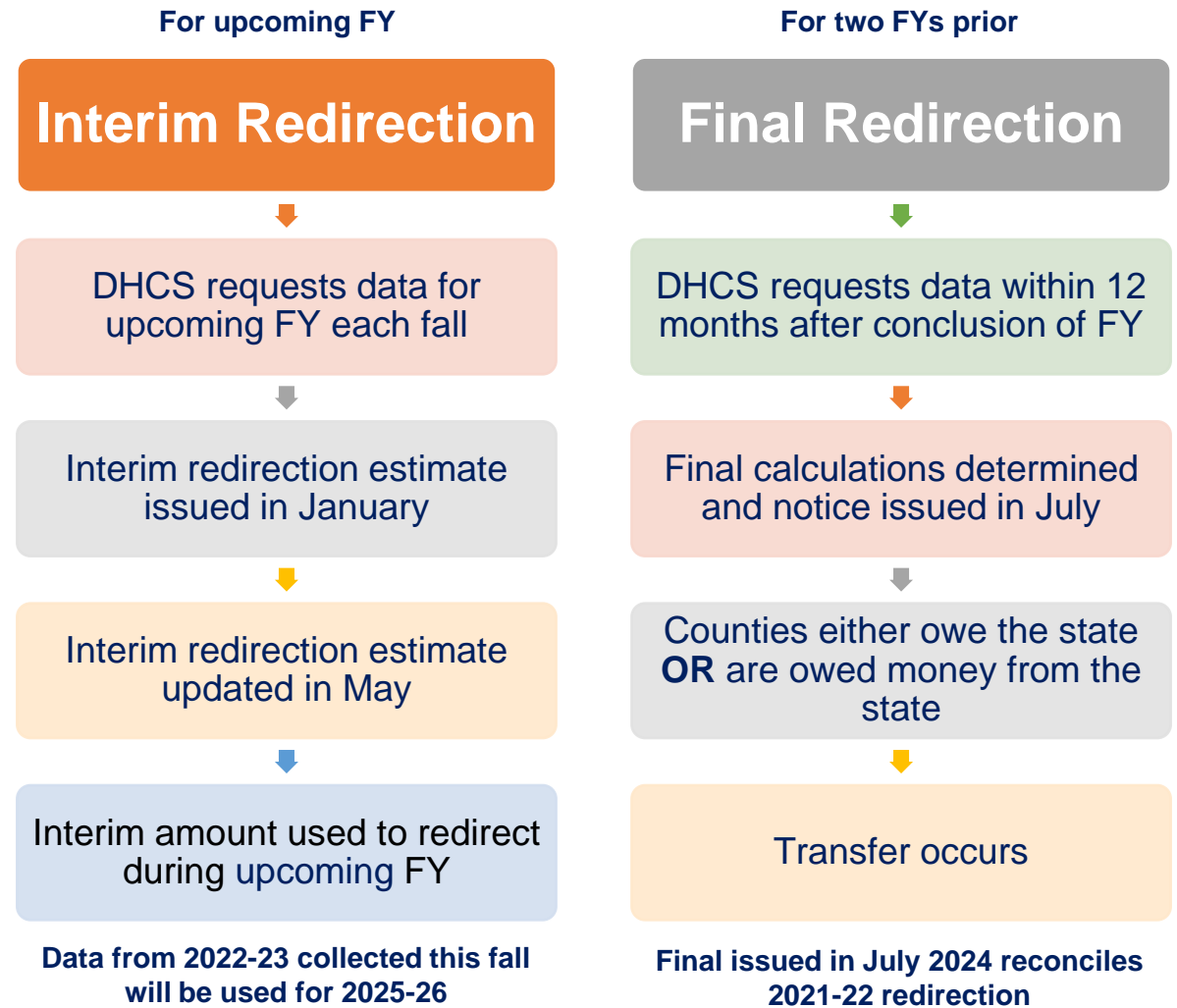
In determining redirection options, each county categorized into one of the following:

CMSP Counties <u>WIC 16809</u>	Public Hospital Counties <u>WIC 17612</u>	Article 13 Counties <u>WIC 17613</u>
<ul style="list-style-type: none">• 35 counties• 60% Health Realignment + MOE redirected• Counties limited to jurisdictional risk limit	<ul style="list-style-type: none">• 12 counties• Option between 60% Health Realignment + MOE redirected OR Formula• Formula accounts for county cost and revenues	<ul style="list-style-type: none">• 11 counties• Option between 60% Health Realignment + MOE redirected OR Formula• Formula accounts for county cost and revenues

County Decisions [Available Here](#)

Formula Counties

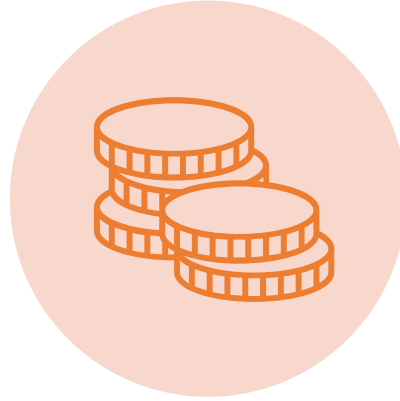
- Formula considers costs/revenues and redirects 80% of savings
- Interim redirection amount used to divert funds during Realignment year (12 payments from Aug-July)
- True-up reconciliation process occurs on a two-year retroactive basis
- DHCS issues final determination notice either requiring:
 - State to pay counties via lump sum
 - Counties to pay state via deposit into Family Support Subaccount
- AB 85 Sunset Provisions



Local Decisions



**Public Health vs.
Indigent Health**



Transfers



Reserves

Realignment Risks & Pressures Panel

Michelle Cabrera, County Behavioral Health Directors Association of California (CBHDA)

Eileen Cubanski, County Welfare Directors Association of California (CWDA)

Michelle Gibbons, County Health Executives Association of California (CHEAC)



Realignment Tools & Tracking



Realignment Tracking & Budgeting



Objectives



**Local Tracking
Processes**



**Forecasting &
Budgeting**

Key Websites



State Controller's Office

- Monthly ST and VLF Allocations
- Base & Growth
- Remittance Advices



Governor's Budget

- January Estimate
- May Estimate



CHEAC Budget Resources

- January Memo
- May Revise Memo

Revenue Forecasts

- Revenue projections included in January and May Budgets
- Percentage changes can be used to forecast anticipated revenues

1991 AND 2011 REALIGNMENT

Realignment shifted administrative and fiscal responsibility to counties for a variety of programs, along with a dedicated source of funding. 1991 Realignment provides funding for social and health programs while 2011 Realignment provides funding for local public safety programs. Additionally, both 1991 and 2011 Realignment provide funding for mental health and child welfare programs. The programs for 1991 and 2011 Realignment are funded through two sources: state sales tax and vehicle license fees.

These fund sources are projected to increase by 3.1 percent from 2021-22 to 2022-23 and by 0.1 percent from 2022-23 to 2023-24.

1991 Realignment Estimate at 2024 May Revision
\$s in Thousands

Amount	2022-23 State Fiscal Year (Actual)						Total
	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	
Base Funding							
Sales Tax Account	\$752,888	\$152,266	\$2,480,037	\$337,129	\$462,930	\$512,972	\$4,698,222
Vehicle License Fee Account	367,663	1,071,315	216,223	105,480	185,798	420,228	2,366,708
Subtotal Base	\$1,120,551	\$1,223,582	\$2,696,259	\$442,610	\$648,728	\$933,200	\$7,064,929
Growth Funding							
Sales Tax Growth Account:	\$-	\$6,530	\$65,869	\$13,246	\$-	\$15,609	\$101,253
Caseload Subaccount	-	-	(65,869)	-	-	-	(65,869)
General Growth Subaccount	-	(6,530)	-	(13,246)	-	(15,609)	(35,384)
Vehicle License Fee Growth Account	-	21,888	-	44,399	-	52,320	118,608
Subtotal Growth	\$-	\$28,418	\$65,869	\$57,644	\$-	\$67,929	\$219,861
Total Realignment 2022-23¹	\$1,120,551	\$1,252,000	\$2,762,128	\$500,254	\$648,728	\$1,001,129	\$7,284,790
	2023-24 State Fiscal Year (Projected)						
Base Funding							
Sales Tax Account	\$749,929	\$0	\$2,535,901	\$348,998	\$619,283	\$526,503	\$4,780,614
Vehicle License Fee Account	370,622	1,208,812	216,223	146,920	70,189	472,549	2,485,315
Subtotal Base	\$1,120,551	\$1,208,812	\$2,752,123	\$495,918	\$689,473	\$999,052	\$7,265,929
Growth Funding							
Sales Tax Growth Account:	\$-	\$0	\$0	\$0	\$-	\$0	\$0
Caseload Subaccount	-	-	0	-	-	-	0
General Growth Subaccount	-	0	-	0	-	0	0
Vehicle License Fee Growth Account	-	26,528	-	53,809	-	63,410	143,746
Subtotal Growth	\$-	\$26,528	\$0	\$53,809	\$-	\$63,410	\$143,746
Total Realignment 2023-24¹	\$1,120,551	\$1,235,340	\$2,752,123	\$549,727	\$689,473	\$1,062,461	\$7,409,675
	2024-25 State Fiscal Year (Projected)						
Base Funding							
Sales Tax Account	\$749,929	\$174,461	\$2,535,901	\$348,998	\$444,822	\$526,503	\$4,780,614
Vehicle License Fee Account	370,622	1,119,731	216,223	200,729	185,798	535,958	2,629,061
Subtotal Base	\$1,120,551	\$1,294,192	\$2,752,123	\$549,727	\$630,620	\$1,062,461	\$7,409,675
Growth Funding							
Sales Tax Growth Account:	\$-	\$0	\$67,688	\$0	\$-	\$0	\$67,688
Caseload Subaccount	-	-	(67,688)	-	-	-	(67,688)
General Growth Subaccount	-	0	-	0	-	0	0
Vehicle License Fee Growth Account	-	3,911	-	7,934	-	9,350	21,195
Subtotal Growth	\$-	\$3,911	\$67,688	\$7,934	\$-	\$9,350	\$88,883
Total Realignment 2024-25¹	\$1,120,551	\$1,298,104	\$2,819,811	\$557,661	\$630,620	\$1,071,811	\$7,498,558

¹ Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.



What to Expect During the Fiscal Year?

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug
State Budget	State Fiscal Year													
	Budget Takes Effect						Gov. Budget Proposal for next FY				Gov. May Revision for next FY	Budget Enacted for next FY	Budget Takes Effect	
Allocation	Health Sales Tax Monthly Allocations (until base hit)													
	Health Vehicle License Fee Monthly Allocations (until base hit)													
Growth			Growth Payments Issued (approx. and if avail.; incl. Caseload and General Growth for prior FY)				CCS Caseload Growth Review Data from prior FY							
AB 85 Redirect	CMSP County AB 85 Redirections (10 monthly payments)													
	Public Hospital/Article 13 County AB 85 Redirections (12 monthly payments)													
PUBLIC HOSPITAL AND ARTICLE 13 <u>FORMULA</u> COUNTIES ONLY:														
Interim Redirect Upcoming FY		Interim Data Req Uses data from 3 FYs prior for upcoming FY					Interim Redirect Estim				Interim Redirect Updated			Interim Redirect Begins
Final Redirect 2 FY Behind			Initial Reconcil Req Due Nov. 30; uses data from prior FY								Final Reconcil Req Due Jun. 30; uses data from prior FY		Final Reconcil Notice	

CHEAC 1991 Health Realignment Tracking Demonstration



SCO Navigation

1. Go to www.sco.ca.gov
2. Navigate to “**State and Local**” on top menu bar
3. Navigate to “**Local Government**” section
4. Navigate to “**Apportionments**” on Local Government page
5. Under payments section, navigate to “**Health and Welfare Realignment Allocation**” on Apportionments page
6. Select the **fiscal year**

Note: The following sections and Excel formats are consistent across FYs.

Fiscal Year 2022-2023

- [2022-23 Fiscal Year Growth](#) ← **1) Growth Allocations (including General Growth)**
- [AB 85 Breakdown](#) ← **2) AB 85 Redirections (monthly pre- and post- allocations)**
- [Base for 2022-2023](#) ← **3) ST & VLF Base**
- [CalWORKs Maintenance of Effort](#)
- [Child Poverty and Family Supplemental Support - VLF](#)
- [Child Poverty and Family Supplemental Support Subaccount-Sales Tax](#)
- [County Medical Services Program \(CMSP\)](#)
- [Family Support Subaccount](#)
- [Final Redirection Calculation of 2019-2020 Fiscal Year for AB85 \(Fiscal Year 2022-2023 Allocation\)](#) ← **4) Formula Counties Final AB 85 True-up**
- [Mental Health \(Sales Tax\)](#)
- [Mental Health Sales Tax Base](#)
- [Mental Health Vehicle License Fees Base](#)
- [Public Health Sales Tax](#) ← **5) Monthly ST Allocations & Remittance Advices**
- [Reconciliation](#)
- [Social Services Sales Tax](#)
- [Social Services VLF Base](#)
- [Vehicle License Fee Collection for Mental Health](#)
- [Vehicle License Fees For Public Health](#) ← **6) Monthly VLF Allocations & Remittance Advices**

Base and Growth

ST & VLF Base

- Target minimum revenues jurisdiction should receive if revenues perform during year
- Pre-AB 85 = Health Subaccount revenues in absence of AB 85 redirection

State Controller's Office						Vehicle License Fee				
Local Health and Welfare Realignment										
Base For 2022-23 Fiscal Year (Subject to Change)										
Revised January 26, 2023										
Sales Tax						Vehicle License Fee				
City/County	CALWORKS ¹	Child Poverty and Family Supplemental Support Subaccount	Health	Mental Health Base	Social Services	CALWORKS ¹	Child Poverty and Family Supplemental Support Subaccount	Health	Mental Health Base	Social Services
Alameda County	\$16,544,047.95	\$8,883,865.53	\$20,830,749.76	\$14,885,413.60	\$119,273,704.22	\$8,079,085.39	\$9,983,590.15	\$42,964,375.45	\$4,657,310.60	\$9,983,590.15
Alpine County	\$35,257.73	\$1,310.90	\$61,041.10	\$60,025.87	\$272,353.38	\$17,217.68	\$251.93	\$120,631.05	\$18,780.74	\$272,353.38
Amador County	\$384,311.43	\$196,655.54	\$924,357.84	\$260,152.60	\$1,673,649.04	\$187,673.83	\$190,044.24	\$1,668,117.91	\$81,395.89	\$1,673,649.04
Butte County	\$4,608,740.64	\$2,718,565.95	\$6,752,176.08	\$2,349,326.30	\$22,919,713.40	\$2,250,622.66	\$2,572,757.97	\$11,245,088.34	\$735,051.27	\$22,919,713.40
Calaveras County	\$640,759.97	\$361,591.21	\$1,042,271.60	\$337,065.30	\$3,428,795.99	\$312,907.37	\$361,407.25	\$1,781,054.12	\$105,460.14	\$3,428,795.99
Cohasa County	\$326,489.67	\$175,238.96	\$846,464.89	\$239,763.02	\$1,881,268.49	\$159,437.27	\$87,139.52	\$1,429,094.23	\$75,016.44	\$1,881,268.49

Growth

- Revenues received in excess of base
- Use Pre-AB 85 amounts to determine base for next FY
- Details actual General Growth allocations for year (if available; post-AB 85)

Sales Tax Growth:		Amount	
Revenues for the 2022-2023 fiscal year ⁽¹⁾ - REVISED		\$101,648,992.86	Total Sales Tax Revenues for FY
October 31, 2023 apportionments			
Caseload		\$66,199,894.00	Caseload Growth (caseload gets first call; this amount is used to satisfy caseload growth costs)
June 20, 2024 apportionments			
Caseload		\$84,751.00	Correction to Caseload Growth (typically appears only once)
Family Support Subaccount (AB 85) ⁽²⁾			
Transfer in of Sales Tax from Public Health (AB 85)		\$1,272,320.84	
Net Family Support Subaccount apportioned		\$1,272,320.84	
General Growth Child Poverty and Family Supplemental Support Subaccount		\$15,608,806.86	44.11% of General Growth
General Growth Mental Health		\$13,245,536.52	37.43% of General Growth
General Growth Public Health		blank text	18.45% of General Growth
Pre-AB 85 transfer		\$6,530,004.48	Pre-AB 85 Sales Tax Growth (used in determining base)
Transfer Sales Tax to Family Support Subaccount (AB 85)		(\$1,272,320.84)	AB 85 Redirection of ST Growth
Net General Growth Public Health apportioned		\$5,257,683.64	Post-AB 85 Sales Tax Growth Allocated (corresponds with ST GG allocated total below)
Total Sales Tax Apportioned		\$101,648,992.86	
Vehicle License Fee (VLF) Growth:			

ST and VLF Performance

- Pre-AB 85 = Can be used to track revenue performance and progress toward meeting base for year
- Post-AB 85 = Monthly allocation received after AB 85 redirection

State Controller's Office												
Year To Date												
Gross Allocation of Local Health and Welfare Realignment, Sales Tax for Public Health-Pre AB85												
Fiscal Year: 2022-2023												
City/County	9/27/2022	10/27/2022	11/23/2022	12/27/2022	1/27/2023	2/27/2023	3/27/2023	4/27/2023	5/26/2023	6/27/2023	7/27/2023	Year To Date
Alameda County	\$1,625,039.51	\$1,670,331.78	\$1,996,601.74	\$1,688,918.14	\$1,875,380.38	\$2,442,929.46	\$1,675,724.00	\$1,663,682.79	\$2,100,665.51	\$1,792,149.75	\$2,299,326.70	\$20,830,749.76
Alpine County	\$4,634.60	\$4,763.77	\$5,694.29	\$4,816.78	\$5,495.97	\$7,159.22	\$4,910.86	\$4,875.57	\$6,156.19	\$5,252.05	\$7,281.80	\$61,041.10
Amador County	\$66,046.88	\$67,887.70	\$81,148.37	\$68,643.11	\$83,219.32	\$108,404.10	\$74,359.64	\$73,825.32	\$93,216.27	\$79,525.99	\$128,081.14	\$924,357.84
Butte County	\$470,723.36	\$483,843.12	\$578,353.37	\$489,227.01	\$607,894.38	\$791,862.33	\$543,176.84	\$539,273.75	\$680,919.33	\$580,915.62	\$985,986.97	\$6,752,176.08
Calaveras County	\$72,448.64	\$74,467.90	\$89,013.89	\$75,296.53	\$93,835.34	\$122,232.87	\$83,845.46	\$83,242.98	\$105,107.56	\$89,670.87	\$153,109.56	\$1,042,271.60
Colusa County	\$58,271.70	\$59,895.81	\$71,595.41	\$60,562.30	\$76,206.71	\$99,269.25	\$68,093.60	\$67,604.30	\$85,361.24	\$72,824.60	\$126,779.97	\$846,464.89

State Controller's Office												
Year To Date												
Gross Allocation of Local Health and Welfare Realignment, Sales Tax for Public Health												
Fiscal Year: 2022-2023												
City/County	9/27/2022	10/27/2022	11/23/2022	12/27/2022	1/27/2023	2/27/2023	3/27/2023	4/27/2023	5/26/2023	6/27/2023	7/27/2023	Year To Date
Alameda County	\$1,625,039.51	\$1,670,331.78	\$1,996,601.74	\$1,688,918.14	\$1,875,380.38	\$2,442,929.46	\$1,675,724.00	\$1,663,682.79	\$2,100,665.51	\$1,792,149.75	\$2,299,326.70	\$20,830,749.76
Alpine County	\$3,319.60	\$3,448.77	\$4,379.29	\$3,501.78	\$4,180.97	\$5,844.22	\$3,595.86	\$3,560.57	\$4,841.19	\$3,937.05	\$7,281.80	\$47,891.10
Amador County	\$4,020.48	\$5,861.30	\$19,121.97	\$6,616.71	\$21,192.92	\$46,377.70	\$12,333.24	\$11,798.92	\$31,189.87	\$17,499.59	\$128,081.14	\$304,093.84
Butte County	\$0.00	\$0.00	\$0.00	\$0.00	\$12,835.08	\$196,803.03	\$0.00	\$0.00	\$85,860.03	\$0.00	\$985,986.97	\$1,281,485.11
Calaveras County	\$0.00	\$0.00	\$0.00	\$0.00	\$2,439.44	\$30,836.97	\$0.00	\$0.00	\$13,711.66	\$0.00	\$153,109.56	\$200,097.63
Colusa County	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,270.45	\$0.00	\$0.00	\$5,362.44	\$0.00	\$126,779.97	\$151,412.86

AB 85 Breakdown

- Monthly view into ST, VLF, and AB 85 Redirection figures

Note: Excel formats are consistent across FYs. Excel available for download here: https://sco.ca.gov/lard_payments_realign_fy2324_ab85.html														
State Controller's Office														
Allocation of Local Health and Welfare Realignment AB 85 Breakdown														
October 2022														
Fiscal Year: 2022-23														
City/County	Pre-AB 85 Health Sales Tax Rate	ST Revenues Pre-AB 85	Pre-AB 85 Health Vehicle License Fees Rate	VLF Revenues Pre-AB 85	Revenues into Jurisdiction in Absence of AB 85	Prior Month Balance to be Satisfied (if revenues for the month were less than the monthly AB 85 contribution)	Interim Redirection Amount Monthly Installment (see May Revise chart, divide by monthly payments)	Redirection of ST and VLF into Family Support Subaccount		Amount Actually Redirected to FSS in Month	Current Month Balance to be Satisfied (if revenues for the month were less than the monthly AB 85 contribution)	ST Allocation Post AB 85 (amount actually received in jurisdiction subaccount)	VLF Allocation Post-AB 85 (amount actually received in jurisdiction subaccount)	Total ST and VLF Received for Month (amount actually allocated to jurisdiction)
		Pre-AB 85 Health Sales Tax Allocation		Pre-AB 85 Health Vehicle License Fees Allocation	Pre-AB 85 Total Health Allocation	AB 85 Adjustment Prior Month Carryov	AB 85 Adjustment Contribution	AB 85 Adjustment Health Sales Tax Transferred To Family Support Subaccount	AB 85 Adjustment Health Vehicle License Fees Transferred To Family Support	AB 85 Adjustment Total Transferred To Family Support Subaccount	AB 85 Adjustment Remaining Redirection Amount to be Offset in Following Month	Post-AB 85 Health Sales Tax Allocation	Post-AB 85 Health Vehicle License Fees Allocation	Post-AB 85 Total Health Allocation
		A		B	C = A + B	D	E	F	G	H = F + G	I = E - H	J = A - F	K = B - G	L = J + K
Alameda County	0.03813475	\$1,670,331.78	0.04010598	\$3,513,578.99	\$5,183,910.77	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,670,331.78	\$3,513,578.99	\$5,183,910.77
Alpine County	0.00010876	\$4,763.77	0.00011261	\$9,865.46	\$14,629.23	\$0.00	\$1,315.00	\$1,315.00	\$0.00	\$1,315.00	\$0.00	\$3,448.77	\$9,865.46	\$13,314.23
Amador County	0.00154992	\$67,887.70	0.00155688	\$136,394.14	\$204,281.84	\$0.00	\$62,026.40	\$62,026.40	\$0.00	\$62,026.40	\$0.00	\$5,861.30	\$136,394.14	\$142,255.44
Butte County	0.01104645	\$483,843.12	0.01049440	\$919,386.67	\$1,403,229.79	\$0.00	\$595,059.30	\$483,843.12	\$111,216.18	\$595,059.30	\$0.00	\$0.00	\$808,170.49	\$808,170.49
Calaveras County	0.00170015	\$74,467.90	0.00166217	\$145,618.32	\$220,086.22	\$0.00	\$91,395.90	\$74,467.90	\$16,928.00	\$91,395.90	\$0.00	\$0.00	\$128,690.32	\$128,690.32
Colusa County	0.00136746	\$59,895.81	0.00133368	\$116,840.18	\$176,735.99	\$0.00	\$79,998.80	\$59,895.81	\$20,102.99	\$79,998.80	\$0.00	\$0.00	\$96,737.19	\$96,737.19
Contra Costa County	0.01956153	\$856,810.27	0.02037473	\$1,784,976.28	\$2,641,786.55	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$856,810.27	\$1,784,976.28	\$2,641,786.55
Del Norte County	0.00155967	\$68,314.76	0.00154154	\$135,050.25	\$203,365.01	\$0.00	\$78,135.80	\$68,314.76	\$9,821.04	\$78,135.80	\$0.00	\$0.00	\$125,229.21	\$125,229.21
El Dorado County	0.00625238	\$273,859.12	0.00607971	\$532,627.34	\$806,486.46	\$0.00	\$353,528.80	\$273,859.12	\$79,669.68	\$353,528.80	\$0.00	\$0.00	\$452,957.66	\$452,957.66
Fresno County	0.02454722	\$1,075,187.38	0.02491441	\$2,182,685.66	\$3,257,873.04	\$0.00	\$1,445,844.06	\$1,075,187.38	\$370,656.68	\$1,445,844.06	\$0.00	\$0.00	\$1,812,028.98	\$1,812,028.98
Glenn County	0.00151248	\$66,247.80	0.00148674	\$130,249.36	\$196,497.16	\$0.00	\$78,793.30	\$66,247.80	\$12,545.50	\$78,793.30	\$0.00	\$0.00	\$117,703.86	\$117,703.86
Humboldt County	0.01118228	\$489,792.58	0.01074389	\$941,243.83	\$1,431,036.41	\$0.00	\$688,318.20	\$489,792.58	\$198,525.62	\$688,318.20	\$0.00	\$0.00	\$742,718.21	\$742,718.21
Imperial County	0.01111074	\$486,659.08	0.01056385	\$925,471.00	\$1,412,130.08	\$0.00	\$639,442.20	\$486,659.08	\$152,783.12	\$639,442.20	\$0.00	\$0.00	\$772,687.88	\$772,687.88
Inyo County	0.00206516	\$90,455.62	0.00202830	\$177,694.01	\$268,149.63	\$0.00	\$110,025.70	\$90,455.62	\$19,570.08	\$110,025.70	\$0.00	\$0.00	\$158,123.93	\$158,123.93
Kern County	0.01662768	\$728,305.35	0.01696384	\$1,486,157.22	\$2,214,462.57	\$0.00	\$1,522,126.72	\$728,305.35	\$793,821.37	\$1,522,126.72	\$0.00	\$0.00	\$692,335.85	\$692,335.85

Determining Base for Following Year



**2022-23 Public Health
Sales Tax**
Year-to-Date (Pre-AB 85)
(#5 on SCO Navigation)



**2022-23 Vehicle License
Fees for Public Health**
Year-to-Date (Pre-AB 85)
(#6 on SCO Navigation)



2022-23 Growth Calculation
Pre-AB 85 Amounts (statewide)
*multiplied by your jurisdiction's
percentage in [Growth Schedule](#)*
(Pre AB-85 amount #1 on SCO Navigation)



2023-24 Base for Following Year
Sales Tax + VLF for Health
(#5 on SCO Navigation)

**Confirm Amounts
Match Following FY
Base Figures**

Determining Base for Following Year

Statewide Example

ST: \$554,513,180.55



**2022-23 Public Health
Sales Tax**
Year-to-Date (Pre-AB 85)
(#5 on SCO Navigation)

+

VLF: \$1,071,315,024.93



**2022-23 Vehicle License
Fees for Public Health**
Year-to-Date (Pre-AB 85)
(#6 on SCO Navigation)

+

ST: \$6,530,004.48



VLF: \$21,888,432.63

2022-23 Growth
Pre-AB 85 Amounts (statewide)
(Pre AB-85 transfer amounts #1 on SCO Navigation)

=



2023-24 Base for Following Year
Sales Tax + VLF for Health
(#5 on SCO Navigation)

ST: \$561,043,185.03

VLF: \$1,093,203,457.56

Interim Redirection

Interim Redirection Chart published at January and May Governor Budgets for upcoming FY
(see CHEAC Budget Memo)

County Medical Services
Program (CMSP)
Counties (listing at
www.cmspcounties.org)

ST and VLF Revenue Projections from
Administration for Upcoming FY (note:
projection made before end of prior FY; subject
to economic performance of upcoming FY)

MOE set in
statute (WIC
17608.10)

60% Revenues +
60% MOE = AB 85
Redirection Amt

Capped contribution
amount set in statute
(WIC 16809)

Difference Covered
by CMSP Governing
Board

County Redirection
Amount for year
(corresponds with risk
limit)

FY24/25 Interim Redirection Calculation							
CMSP	24-25 Realignment		Maintenance of Effort	60% Realignment + 60% MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 61,552.34	\$ 126,673.40	\$ 21,465.00	\$ 125,814.44	\$ 13,150.00	\$ 112,664.44	\$ 13,150.00
Amador	\$ 934,667.22	\$ 1,780,272.34	\$ 278,460.00	\$ 1,796,039.74	\$ 620,264.00	\$ 1,175,775.74	\$ 620,264.00
Butte	\$ 6,834,771.95	\$ 12,122,978.57	\$ 724,304.00	\$ 11,809,232.71	\$ 5,950,593.00	\$ 5,858,639.71	\$ 5,950,593.00
Calaveras	\$ 1,055,153.26	\$ 1,917,628.57	\$ -	\$ 1,783,669.10	\$ 913,959.00	\$ 869,710.10	\$ 913,959.00
Colusa	\$ 857,278.43	\$ 1,542,841.91	\$ 237,754.00	\$ 1,582,724.60	\$ 799,988.00	\$ 782,736.60	\$ 799,988.00
Del Norte	\$ 961,173.11	\$ 1,773,977.71	\$ 44,324.00	\$ 1,667,684.89	\$ 781,358.00	\$ 886,326.89	\$ 781,358.00
El Dorado	\$ 3,901,260.35	\$ 7,026,361.00	\$ 704,192.00	\$ 6,979,088.01	\$ 3,535,288.00	\$ 3,443,800.01	\$ 3,535,288.00
Glenn	\$ 935,364.36	\$ 1,716,622.49	\$ 58,501.00	\$ 1,626,292.71	\$ 787,933.00	\$ 838,359.71	\$ 787,933.00
Humboldt	\$ 7,047,476.04	\$ 12,459,770.10	\$ 589,711.00	\$ 12,058,174.28	\$ 6,883,182.00	\$ 5,174,992.28	\$ 6,883,182.00
Imperial	\$ 6,932,332.38	\$ 12,228,880.46	\$ 772,088.00	\$ 11,959,980.50	\$ 6,394,422.00	\$ 5,565,558.50	\$ 6,394,422.00
Inyo	\$ 1,280,583.35	\$ 2,338,750.95	\$ 561,262.00	\$ 2,508,357.78	\$ 1,100,257.00	\$ 1,408,100.78	\$ 1,100,257.00
Kings	\$ 3,360,155.16	\$ 5,988,228.05	\$ 466,273.00	\$ 5,888,793.73	\$ 2,832,833.00	\$ 3,055,960.73	\$ 2,832,833.00
Lake	\$ 1,413,209.89	\$ 2,564,967.81	\$ 118,222.00	\$ 2,457,839.82	\$ 1,022,963.00	\$ 1,434,876.82	\$ 1,022,963.00

Tracking AB 85 Redirection

2024-25 Interim Redirection Figures
May Revision Budget

Identify Interim
Redirection Amount from
May Revision



Track difference between
Pre- and Post-AB 85
allocations



Sales Tax

Year-to-Date (Pre- AND Post-AB 85)
(#5 and #6 on SCO Navigation)



VLF



Track monthly transfers
to Family Support
Subaccount

AB 85 Breakdown

Monthly View of Allocations
(#2 on SCO Navigation)

Practice Exercises



Where Do I Find the Following?

1) Where do I find the interim redirection amount that will be diverted during the upcoming fiscal year pursuant to AB 85?

- A. SCO Webpage – Public Health Sales Tax
- B. Governor’s Budget (January and May)
- C. SCO Webpage – AB 85 Breakdown
- D. DHCS Webpage – Assembly Bill 85

2) Where do I find the amount available to be distributed as general growth?

- A. SCO Webpage – Final Redirection Calculation
- B. SCO Webpage – Reconciliation
- C. SCO Webpage – Fiscal Year Growth
- D. DOF Webpage – 1991 Realignment

Where Do I Find the Following?

Solution

1) Where do I find the interim redirection amount that will be diverted during the upcoming fiscal year pursuant to AB 85?

- A. SCO Webpage – Public Health Sales Tax
- B. Governor’s Budget (January and May)**
- C. SCO Webpage – AB 85 Breakdown
- D. DHCS Webpage – Assembly Bill 85

2) Where do I find the amount available to be distributed as general growth?

- A. SCO Webpage – Final Redirection Calculation
- B. SCO Webpage – Reconciliation
- C. SCO Webpage – Fiscal Year Growth**
- D. DOF Webpage – 1991 Realignment

Identify the Following Figures

1) Using SCO webpages, identify the following figures from FY 2022-23:

Jurisdiction	Item	Figure
Alameda	Public Health Sales Tax YTD Pre-AB 85	
Humboldt	Vehicle License Fees for PH YTD Post-AB 85	
Orange	Health Sales Tax Base for 2022-23	
Placer	AB 85 Breakdown for April 2023 – Post-AB 85 Total Health Allocation	
Trinity	Health Sales Tax Growth Allocated	

Identify the Following Figures

Solution

1) Using SCO webpages, identify the following figures from FY 2022-23:

Jurisdiction	Item (with SCO link)	Figure	Description
Alameda	Public Health Sales Tax Year-to-Date Pre-AB 85	\$20,830,749.76	YTD ST to jurisdiction <u>prior</u> to AB 85 redirection
Humboldt	Vehicle License Fees for PH Year-to-Date Post-AB 85	\$10,393,420.55	YTD VLF to jurisdiction <u>after</u> AB 85 redirection
Orange	Health Sales Tax Base for 2022-23	\$32,335,985.06	ST Base for FY; determined by prior FY ST/VLF revenues + growth (pre-AB 85)
Placer	AB 85 Breakdown for April 2023 – Post-AB 85 Total Health Allocation	\$193,824.62	ST and VLF allocation to jurisdiction for April 2023 <u>after</u> AB 85 redirection
Trinity	Sales Tax General Growth Health Allocated	\$12,914.72	ST General Growth allocated to jurisdiction <u>after</u> AB 85 redirection

Breakout Discussions



Discussion Questions

- How does your jurisdiction determine how much Realignment is used for indigent care versus public health services?
- What public health activities in your jurisdiction are funded using Health Realignment?
- Does your jurisdiction transfer Health Realignment funds to other subaccounts? Does Health Realignment receive funds from other subaccounts?

Discussion Questions

- Does your jurisdiction carry Health Realignment fund balances from year-to-year? If so, what is your reserve policy?
- How does your jurisdiction track, budget, and forecast Health Realignment funds?
- Does your jurisdiction receive or pay caseload growth from Social Services for CCS?

Dos & Don'ts of Realignment





Thank you!

**Please complete an
evaluation.**



Resources



Additional Resources

[California Welfare & Institutions Code 17600-17613](#)

[California State Controller's Office \(SCO\) Realignment Allocations](#)

[DHCS AB 85 Final Decisions](#)

[1991 State and Local Program Realignment Overview, Legislative Analyst's Office \(1992\)](#)

[Realignment Revisited: An Evaluation of the 1991 Experiment in State-County Relations, LAO \(2001\)](#)

[Examining the State and County Roles in Medi-Cal Expansion, LAO \(2013\)](#)

[Rethinking 1991 Realignment Report, Legislative Analyst's Office \(2018\)](#)

[SB 90: 1991 Realignment Report, Department of Finance \(2019\)](#)

[California Health Care Foundation \(CHCF\) Indigent Care Financing History](#)

Brief Timeline

Voters **pass Prop. 13**, resulting in decreased local property tax revenues; state moves to “bail out” local programs

1978

1979

California enacts **AB 8: County Health Services** providing locals funds for specified health and public health services

Medi-Cal reforms **impact indigent care**, including the creation of what would become CMSP

1980s

California enacts **“1991 Realignment”** of health and social services from state to locals

1991

California enacts **“2011 Realignment”** of public safety, behavioral health, and social services from state to locals

2011

Passage of ACA prompts **enactment of AB 85**, redirecting Health Realignment

2013