

Governor's 2010-11 Proposed Cost Shifts to Counties

	State Savings in 2010-11	Direct County Costs	Federal Funds Loss	Nature of Shift
Mental Health Realignment Funding Shift	No state savings. Money is shifted to backfill state's share of child welfare and food stamps administration.	\$602 million		The state would redirect the sales tax portion of Realignment funding from the Mental Health subaccount to the Social Services subaccount. The state would also increase county shares of cost in other social services program. (See next.)
New County Shares of Cost in Social Services	\$602 million	\$961 million		If the state shifts \$602 million from the Mental Health Realignment subaccount and deposit it into the Social Services subaccount, the Governor then proposes to increase county shares of cost in the following programs for a total of \$961 million in direct county costs: Foster Care: 20% State/80% County (currently 40% State/60% County) Foster Care Administration: 52% State/48%County (currently 70% State/30% County) Adoptions: 20% State/80% County (currently 75% State/25% County) Child Welfare Services: 20% State/80% County (currently 70% State/30% County) Food Stamps Administration: 19% State/81% County (currently 70% State/30% County)
Social Services County Cost Sharing Increases to Offset "County Savings" in IHSS, CalWORKs, and ARRA funding		\$102.4 million in one-time "county savings"		The state would score roughly \$100 million in "county savings" from the receipt of federal ARRA FMAP and Title IV-E funds for the IHSS, Foster Care, and Adoptions Assistance programs. The state would then reduce its General Fund obligation by redirecting the one-time "county savings" to offset state costs in Foster Care (\$60.2 million) and Adoptions Assistance Program (\$42.2 million).
Suspend the AB 3632 mandate	\$52 million in 2010-11 and \$79.4 million for previous mandate claims.	\$79.4 million in mandate payments for services rendered in previous years. Unknown, unreimbursed costs associated with suspension in 2010-11.		If suspended or repealed, the responsibility to provide mental health services to special education students will revert back to schools.

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Elimination of the CalWORKs program	\$1.1 billion	Up to \$2 billion	\$4.2 billion	Many families losing CalWORKs grants will be eligible for 100% county funded General Assistance/Relief grants, which average \$237/month. Indirect costs could total billions more as families become homeless, hungry, and children enter the Child Welfare system.
Eliminate CalWORKs benefits to recent legal immigrants in state less than five years	\$57.6 million in 2010-11	Up to \$2.2 million		Up to 9500 cases would be closed, forcing these individuals to seek 100% county-funded General Assistance/Relief grants, which average \$237/month. Indirect costs could total millions more as families become homeless, hungry, and children enter the Child Welfare system.
Eliminate the Cash Assistance Program for Legal Immigrants	\$107.3 million in 2010-11	Up to \$2.5 million		Up to 10,866 cases would be closed, forcing these individuals to seek 100% county-funded General Assistance/Relief grants, which average \$237/month. Indirect costs could total millions more as families become homeless, hungry, and children enter the Child Welfare system.
Eliminate the California Food Assistance Program	\$56.2 million in 2010-11	Up to \$8.8 million		Up to 37,258 cases would be closed, forcing these individuals to seek 100% county-funded General Assistance/Relief grants, which average \$237/month.
Child Care Subsidies	\$1.2 billion	Unknown		Would eliminate subsidized slots for 142,000 children, potentially causing parents to lose employment and become eligible for 100% county-funded General Assistance/Relief grants, which average \$237/month. Also will increase homelessness, hunger, and caseloads in the Child Welfare system.
Children's Welfare Services	\$80 million in 2010-11	\$80 million in 2010-11	\$53 million in current year, possibly more in 2010-11	Governor's veto of \$80 million in Child Welfare Services has impacted the system significantly, including increasing response and investigation times, swamping remaining social workers, increasing the time foster children spend in placements other than permanent homes, and placing children in harm's way. Counties are liable for negative outcomes in CWS and children are at risk because of this veto.
Unspecified IHSS Reductions	\$637.1 million in 2010-11 and \$750 million in 2011-12	Unknown	\$1.1 billion	Reducing IHSS by 50% would eliminate nearly 200,000 jobs and result in nearly 200,000 clients losing services that help them stay in their homes. Costs for skilled nursing facilities and long-term care homes will increase, with the state bearing most of the financial burden. Would also likely increase applications for 100% county-funded General Assistance/Relief grants.

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Medi-Cal: County Administration	\$84 million (\$42 million General Fund)	\$84 million		The DCHS proposes a change in the methodology used to calculate Medi-Cal caseload growth that will result in significantly less funding for county administrative and eligibility activities on behalf of the state for the Medi-Cal program.
Elimination of Drug Medi-Cal Program	\$106 million (\$53 million General Fund)	\$224 million	At least \$118 million	The proposal will decimate local drug treatment and services programs and result in at least a dollar-for-dollar loss in federal Substance Abuse Prevention and Treatment block grant funding. It will also significantly increase public safety and emergency services costs.
Offender Treatment Program	\$18 million	Up to \$18 million	Up to \$18 million	The underlying mandate of Proposition 36 still requires counties to provide drug treatment services in lieu of incarceration for certain offenders. With elimination of the OTP, there will be no state participation in offender treatment at the local level.
Prisoners to Jails	\$243.8 million	Unknown		Requires counties to take on detention responsibility for all offenders sentenced to less than 36-month sentences. Unclear whether mitigating funds intended to serve displaced county inmate population is sufficient or whether counties' jail population profiles can accommodate additional pressure
Juvenile Parole to County Probation	\$10.1 million	Unknown		Requires county probation departments to assume all juvenile parole responsibilities for all youthful offenders discharged from DJJ. Unclear if \$15,000 per juvenile parolee will cover county costs and/or if county probations statewide have capacity to increase juvenile parole/probation caseloads.
Williamson Act Suspension	\$34.7 million	\$37.6 million		State stopped subvenering funds in 2009-10 after cuts in previous years. Williamson Act contracts are 10-year rolling contracts that counties cannot abrogate upon cessation of state subventions.
Pre-2004 Mandates Payment Deferral	\$94 million	\$94 million		State owes local agencies ~\$1 billion for mandates provided before 2004; statute provides they be paid over time by 2019. Governor proposes deferring payment again.
Suspended Mandates	Tens of millions	Tens of millions		State owes local agencies for mandates provided in 2007-08 and 2008-09 but that have since been suspended. State maintains payment not required until the programs are reinstated.
2010-11 Deferral of State Payments	Cashflow relief by delaying hundreds of millions in payments	Unknown county costs related to borrowing and local cash management		Deferrals of Highway Users Tax Account (HUTA) revenues (\$225 million), social services payments (up to \$780 million), and Proposition 63 (\$300 million) impact counties' own cash management requirements.

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Transportation Project Initiation Documents (PIDs)	\$5 million by eliminating Caltrans positions	\$5 million by shifting costs directly to locals		Currently Caltrans is responsible for review and approval of PIDs for transportation projects in their role of planning, design, construction, maintenance, and operation of the state highway system. This proposal would shift this responsibility to self-help counties and local agencies.