October 14, 2022

TO: CSAC Board of Directors
    County Administrative/Executive Officers
    County Legislative Coordinators

FROM: Graham Knaus, CSAC Executive Director
       Jacqueline Wong-Hernandez, CSAC Deputy Executive Director, Legislative Affairs
       Jolie Onodera, CSAC Senior Legislative Representative, Health and Behavioral Health

RE: CARE Court Start-Up Fiscal Allocations Update

As specified in AB 179, the budget includes $57 million in new state funding to be allocated to counties to address CARE Court planning costs. This includes $26 million for the initial cohort of seven counties and $31 million for all counties to prepare for implementation. We wanted to provide an update on the estimated timing of the funding allocations to be distributed to counties.

In consultation with CSAC and county partners, the Department of Health Care Services (DHCS) has finalized the county allocation schedule for both the $26 million for first cohort counties and the $31 million to all counties. DHCS anticipates sending the allocation schedule and invoices to the State Controller’s Office (SCO) by the first week of November. Upon receipt, the SCO has 30 days to remit payments to counties. Accordingly, we anticipate that counties will receive their start-up funding allocation(s) by December 2022. Concurrently, DHCS will issue high-level guidance regarding allowable uses of the funding as outlined in AB 179 (Item 4260-101-0001, Provision 32). CSAC will share this guidance with counties as soon as it is received.

The allocation schedule of $26 million to first cohort counties:
   • San Diego County - $5,652,174
   • Orange County - $5,652,174
   • Riverside County - $5,652,174
   • San Francisco County - $3,391,304
   • Stanislaus County - $3,391,304
   • Tuolumne County - $1,130,435
   • Glenn County - $1,130,435

DHCS consulted with CSAC, the Urban Counties of California (UCC), and the Rural County Representatives of California (RCRC) in the development of the allocation schedule for the $31 million to support CARE Act planning and preparation activities. The allocation is based on three main elements: 1) 50 percent based on each county’s proportional share of the statewide population, 2) 50 percent based on each county’s proportional share of the estimated statewide homeless population, and 3) a minimum of $250,000 per county. For the population component, the Department of Finance’s estimate of the January 1, 2022, population, was used. For the homelessness component, the same underlying homeless data utilized for the Homeless Housing, Assistance and Prevention allocation was used. This largely utilizes federal HUD data from 2019 Continuum of Care point-in-time counts, with exceptions. The $31 million county allocation schedule is attached.
**SB 1338** includes a statutory commitment that the CARE Act will become operative only upon consultation with county stakeholders, and developing a CARE Act allocation to provide state financial assistance to counties to implement the CARE Court process. We anticipate this process will be developed this fall for inclusion in next year’s budget. The Administration’s acknowledgement that counties require ongoing funding to be successful is a significant win, but much hard work to quantify and secure state funding remains ahead.

We will continue to provide updates as more information becomes available. Please don’t hesitate to contact us with any questions or concerns.

Thank you,

Graham Knaus