



July 17, 2020

Honorable Holly Mitchell, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review
Committee

Honorable Phil Ting, Chair Assembly
Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Chapter 24, Statutes of 2013 (AB 85) 2017-18 Final Redirection

Pursuant to Section 17610 of the Welfare and Institutions Code, this letter serves as notification of the final AB 85 2017-18 redirection calculation.

AB 85 modified the 1991 Realignment Local Revenue Fund distributions to capture and redirect county savings resulting from the implementation of federal health care reform beginning fiscal year 2013-14. Consistent with Section 17603(c)(1) of the Welfare and Institutions Code, the state initially redirected \$688.4 million from the Health Subaccount to the Family Support Subaccount in fiscal year 2017-18. Consistent with Sections 17612.3(d)(1) and 17613.3(d)(1) of the Welfare and Institutions Code, the Department of Health Care Services completed the final redirection calculations for 2017-18 and notified each affected county of their respective 2017-18 redirection amount. Based on these calculations, it was determined that the state should have redirected \$954.4 million for 2017-18 (the 2020 Budget Act assumes \$989.7 million should have been redirected for 2017-18). The final redirection calculation results in an additional net amount of \$266 million beyond the initial redirection. Certain counties must redirect a total of \$315.1 million, and the state must repay a total of \$49 million to specified counties for the excess redirected amount as identified in Attachment 1.

Consistent with Section 17610(d) of the Welfare and Institutions Code, the state shall pay a total of \$49 million to the counties of Alameda, Contra Costa, Fresno, Kern, Monterey, Orange, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, and Santa Cruz for the differences identified in Attachment 1 to each county's respective Health Subaccount of their Local Health and Welfare Trust Fund. This payment will be made in a lump sum by September 25, 2020.

Consistent with Section 17610(e) of the Welfare and Institutions Code, the counties of Los Angeles, Merced, Riverside, Santa Clara, Tulare, and Ventura shall redirect a total of

\$315.1 million for the differences identified in Attachment 1 to their Family Support Subaccount, within the Local Health and Welfare Trust Fund of each county, within three months of receipt of this determination. The funds deposited into the Family Support Subaccount shall be used by these counties to pay for an increased share of CalWORKs grants, services, and/or administration costs.

If counties fail to pay the difference within three months of receipt of this determination, the Director of Finance shall provide a supplemental schedule to the State Controller's Office to have 1.5 times the amount of the determination transferred from the next Health Subaccount allocations of the applicable county or city and county to the Family Support Subaccount until 1.5 times the amount owed has been deposited in the Family Support Subaccount as required by Section 17610(e) of the Welfare and Institutions Code.

If you have any questions or need additional information regarding this matter, please contact Laura Ayala, Principal Program Budget Analyst, at Laura.Ayala@dof.ca.gov.

KEELY MARTIN BOSLER

Director

By:



RICHARD GILLIHAN

Chief Operating Officer

Attachment

cc: On following page

cc: Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee
No. 3
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Cyndi Hillery, Budget Director, Assembly Republican Caucus, Office of Policy and
Budget
Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office
Alex Khan, Chief Consultant, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Michelle Baass, Undersecretary, California Health and Human Services Agency
Brendan McCarthy, Assistant Secretary, California Health and Human Services
Agency
Will Lightbourne, Director, Department of Health Care Services
Jacey Cooper, Chief Deputy Director, Department of Health Care Services
Erika Sperbeck, Chief Deputy Director, Department of Health Care Services
Lori Walker, Chief Financial Officer, Department of Health Care Services
Lindy Harrington, Deputy Director, Health Care Financing, Department of Health
Care Services
Eileen Cubanski, Director of Budget and Fiscal Policy, County Welfare Directors
Association of California
Farrah McDaid Ting, Legislative Representative, California State Association of
Counties
Haleigh Mager-Mardeusz, Government Affairs Specialist, California Association of
Public Hospitals and Health Systems
Michelle Gibbons, Executive Director, County Health Executives Association of
California

FY 2017-18 Redirection Summary

County	Interim Redirected	Calculated Final Redirection	Reconciliation
Alameda	\$ 45,039,703.29	\$ 36,574,753.68	\$ (8,464,949.61)
Alpine	\$ 13,150.00	\$ 13,150.00	\$ -
Amador	\$ 620,264.00	\$ 620,264.00	\$ -
Butte	\$ 5,950,593.00	\$ 5,950,593.00	\$ -
Calaveras	\$ 913,959.00	\$ 913,959.00	\$ -
CMSP Board	\$ 189,636,030.10	\$ 189,636,030.10	\$ -
Colusa	\$ 799,988.00	\$ 799,988.00	\$ -
Contra Costa	\$ 22,669,383.52	\$ -	\$ (22,669,383.52)
Del Norte	\$ 781,358.00	\$ 781,358.00	\$ -
El Dorado	\$ 3,535,288.00	\$ 3,535,288.00	\$ -
Fresno	\$ 15,854,780.30	\$ 15,746,278.20	\$ (108,502.10)
Glenn	\$ 787,933.00	\$ 787,933.00	\$ -
Humboldt	\$ 6,883,182.00	\$ 6,883,182.00	\$ -
Imperial	\$ 6,394,422.00	\$ 6,394,422.00	\$ -
Inyo	\$ 1,100,257.00	\$ 1,100,257.00	\$ -
Kern	\$ 16,113,007.14	\$ 16,093,512.45	\$ (19,494.69)
Kings	\$ 2,832,833.00	\$ 2,832,833.00	\$ -
Lake	\$ 1,022,963.00	\$ 1,022,963.00	\$ -
Lassen	\$ 687,113.00	\$ 687,113.00	\$ -
Los Angeles	\$ -	\$ 300,785,339.09	\$ 300,785,339.09
Madera	\$ 2,882,147.00	\$ 2,882,147.00	\$ -
Marin	\$ 7,725,909.00	\$ 7,725,909.00	\$ -
Mariposa	\$ 435,062.00	\$ 435,062.00	\$ -
Mendocino	\$ 1,654,999.00	\$ 1,654,999.00	\$ -
Merced	\$ 2,191,930.92	\$ 2,846,793.79	\$ 654,862.87
Modoc	\$ 469,034.00	\$ 469,034.00	\$ -
Mono	\$ 369,309.00	\$ 369,309.00	\$ -
Monterey	\$ 6,039,852.36	\$ 5,934,621.15	\$ (105,231.21)
Napa	\$ 3,062,967.00	\$ 3,062,967.00	\$ -
Nevada	\$ 1,860,793.00	\$ 1,860,793.00	\$ -
Orange	\$ 42,099,745.34	\$ 41,851,118.38	\$ (248,626.96)
Placer	\$ 3,293,703.06	\$ 3,293,703.06	\$ -
Plumas	\$ 905,192.00	\$ 905,192.00	\$ -
Riverside	\$ 37,262,353.57	\$ 38,538,162.22	\$ 1,275,808.65
Sacramento	\$ 32,251,158.89	\$ 32,251,158.89	\$ -
San Benito	\$ 1,086,011.00	\$ 1,086,011.00	\$ -
San Bernardino	\$ 30,566,682.12	\$ 30,059,526.67	\$ (507,155.45)
San Diego	\$ 45,534,959.59	\$ 45,250,911.05	\$ (284,048.54)
San Francisco	\$ -	\$ -	\$ -
San Joaquin	\$ 18,695,222.88	\$ 11,474,062.35	\$ (7,221,160.53)
San Luis Obispo	\$ 2,921,701.83	\$ 2,901,722.71	\$ (19,979.12)
San Mateo	\$ 11,839,729.92	\$ 2,501,398.51	\$ (9,338,331.41)
Santa Barbara	\$ 8,225,925.90	\$ 8,225,925.90	\$ -
Santa Clara	\$ 39,925,453.96	\$ 41,404,320.86	\$ 1,478,866.90
Santa Cruz	\$ 3,800,914.50	\$ 3,760,947.66	\$ (39,966.84)
Shasta	\$ 5,361,013.00	\$ 5,361,013.00	\$ -
Sierra	\$ 135,888.00	\$ 135,888.00	\$ -
Siskiyou	\$ 1,372,034.00	\$ 1,372,034.00	\$ -
Solano	\$ 6,871,127.00	\$ 6,871,127.00	\$ -
Sonoma	\$ 13,183,359.00	\$ 13,183,359.00	\$ -
Stanislaus	\$ 11,036,431.04	\$ 11,036,431.04	\$ -
Sutter	\$ 2,996,118.00	\$ 2,996,118.00	\$ -
Tehama	\$ 1,912,299.00	\$ 1,912,299.00	\$ -
Trinity	\$ 611,497.00	\$ 611,497.00	\$ -
Tulare	\$ 6,208,524.84	\$ 6,472,773.82	\$ 264,248.98
Tuolumne	\$ 1,455,320.00	\$ 1,455,320.00	\$ -
Ventura	\$ 4,521,436.44	\$ 15,114,002.25	\$ 10,592,565.81
Yolo	\$ 3,561,585.08	\$ 3,561,585.08	\$ -
Yuba	\$ 2,395,580.00	\$ 2,395,580.00	\$ -
Total	\$ 688,359,177.59	\$ 954,384,039.92	\$ 266,024,862.33