



COUNTY OF HUMBOLDT

For the meeting of: 9/15/2026

File #: 26-910

To: Board of Supervisors

From: DHHS: Administration

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Approval of Final Transfer Amounts 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) - Public Health; 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 DHHS- Public Health fund 1175 to the DHHS Social Services Fund 1160 per WIC 17600.20(a); and
5. Approve transfer state/local program Realignment Funds from Public Health Fund 1175 to the Social Services Fund 1160 per Welfare and Institutions Code (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.

WIC section 17600.20(a) authorizes counties to transfer up to ten percent 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 ten percent from the Health Account to the Social Services Account when the State does not fully fund realignment caseload growth. In Fiscal Year 2024 2025, Social Services experienced unfunded caseload growth totaling \$470,435, making the county eligible to utilize this provision. DHHS - Public Health 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 Fiscal Year 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.

This item went before the board on 8/18/2026, prior to receiving final payments for the year. Final payments for Fiscal Year 2025-26 have been received, allowing final transfer amounts to be confirmed. Ten percent of received realignment, \$1,265,461.23, and unfunded caseload growth in the amount of \$470,435.40, totaling \$1,735,896.33 should be transferred.

DHHS- Public Health is requesting authorization from your Board to transfer state and local program realignment funds from the Public Health Fund, 1175, 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 your Board.

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 Fund (1175) Realignment Funds

FINANCIAL IMPACT:

Expenditures (1175)	FY25-26	FY26-27 Projected*	
Budgeted Expenses	\$1,735,896.33	\$1,100,000	
Total Expenditures	\$1,735,896.33	\$1,100,000	

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

Funding Sources (1175)	FY25-26	FY26-27 Projected*	
Fees/Other	\$1,735,896.33	\$1,100,000	
Total Funding Sources	\$1,735,896.33	\$1,100,000	

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

Narrative Explanation of Financial Impact:

Realignment revenues for FY 2025-26 were 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 final actuals, the final amount for the transfer will be \$1,735,896.33. This represents 10% of received Public Health realignment funds in the amount of \$1,265,461.23 and unfunded caseload growth in the amount of \$470,435.40. Which is 13.72% of the total 2025-26 Public Health Realignment.

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.

OTHER AGENCY INVOLVEMENT:

County Administrative Office, Auditor-Controller and State Controller

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your 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 2024-25 Caseload Growth Letter to SCO
5. JEL Jun 039 PH to SS Transfer FY 2025-26

PREVIOUS ACTION/REFERRAL:

Meeting of: 8/18/26

File No.: 26-813