



COUNTY OF NEVADA HEALTH & HUMAN SERVICES AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS Board Agenda Memo

MEETING DATE: April 28, 2020
TO: Board of Supervisors
FROM: **Ryan Gruver**
SUBJECT: Resolution approving a revision to the allocation of 1991 Health and Welfare Realignment funds.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: These are State funds derived from State Sales Tax and Motor Vehicle License Fees (MVLFF) which are allocated to counties. The County's General Fund provides a small annual statutorily required match, which is unaffected by this resolution.

BACKGROUND:

Overview:

- In January 2017 the Governor terminated the Coordinated Care Initiative, shifting substantial and unsustainable IHSS costs to Counties.
- In May 2017 CSAC negotiated compromise legislation, mitigating the short term impacts to Counties and accelerated IHSS realignment growth
- Nevada County elects to distribute certain realignment components by percentage, resulting in some of the accelerated 1991 Realignment growth going to programs other than IHSS.
- Resolution 18-002 capped programs that receive a percentage of Social Services Realignment in order to preserve funding for higher IHSS costs.
- The California State Budget for fiscal year 2019/20 restructured the IHSS Maintenance of Effort and ended the redirection of 1991 Realignment growth to the Social Services Subaccount.
- This Resolution effectively repeals Resolution 18-002 because it is no longer consistent with State law.

Details:

In the January 2017 budget proposal, Governor Brown terminated the In-Home Supportive Services (IHSS) Coordinated Care Initiative. This triggered a drastic shift in IHSS costs from the State to the County, and would have had an immediate and profound impact on County finances. To mitigate the impacts of this change, the California State Association of Counties and other professional associations negotiated compromise legislation that secured a State General Fund

contribution, and changed the structure of 1991 Realignment to sweep Health and Mental Health growth to pay for the additional IHSS costs. This rendered Nevada County's previous realignment distribution methodology obsolete. The previous distribution meant that Juvenile Hall and Public Health received part of the realignment intended for IHSS.

With Resolution 07-035, the Board chose to distribute 1991 Realignment revenue beyond the allocations proscribed in State Law. Resolution 07-035 is attached, showing the allocations for current percentages. Resolution 18-002, also attached, capped the distributions to Public Health/CA Children's Services and Juvenile Hall at their 16/17 base, to be consistent with the changes made at the State level.

The California State Budget for 2019/20 restructured the IHSS Maintenance of Effort again, and included more State General Fund contribution, offsetting costs that were previously pushed to counties. The legislation also ended the redirection of 1991 Realignment Growth to the Social Services Subaccount. Therefore, the caps on realignment distribution adopted in Resolution 18-002 are no longer consistent with State law.

This Resolution removes the caps that were put in place by Resolution 18-002. The restored Nevada County 1991 Realignment Distributions are included in the attached resolution.

It is recommended that the Board of Supervisors approve the attached Resolution as the allocation methodology put in place by Resolution 18-002 is now obsolete.

Item Initiated by: Andrea Lehmkuhl, Administrative Analyst II
Approved by: Ryan Gruver, HHSA Director