

## Realignment Options—Shifts in Program Responsibility

(In Millions) As Compared With May Revision, Workload Budget

Program	Option	2010-11 General Fund Savings	2011-12 General Fund Savings	Notes
<b>Criminal Justice</b>				
Division of Juvenile Facilities (DJF)	Shift full responsibility for juvenile offenders to counties.	\$350	\$350	In 2010-11, counties could reimburse the state for housing and supervision costs while the transition occurs. Estimated savings relative to May Revision workload budget (General Fund, non-Proposition 98) for DJF and the Juvenile Parole Board. Savings do not reflect impact of Governor's proposal to shift juvenile parole to counties.
Adult Corrections	Shift responsibility for punishment and treatment of certain adult offenders with substance abuse problems to counties.	200	400	In 2010-11, counties could reimburse the state for bed space while the transition occurs. Estimated savings are relative to May Revision workload budget. Savings do not reflect impact of Governor's proposal to shift offenders to county jails.
Adult Parole	Shift responsibility for adult parolees convicted of drug and property crimes to counties.		400	In 2010-11, counties could reimburse the state for supervision services while the transition occurs. Estimated savings are relative to May Revision workload budget. Savings do not take into account overlap with Governor's proposal to shift offenders to county jails.
<b>Education</b>				
Child Care	Shift responsibilities to counties.	2,000	2,000	Estimates include CalWORKs and non-CalWORKs child care but exclude state preschool. Shift may require changes to Proposition 98 funding requirement.
<b>Social Services</b>				
Adult Protective Services (APS)	Make APS an optional county program.	44	44	This reflects the savings after a 10 percent reduction to the APS program in 2008-09. Prior to the reduction, this program was funded at about \$50.2 million.
<b>Health<sup>a</sup></b>				
Alcohol and substance abuse-related programs	Shift responsibility for the Drug Medi-Cal, Substance Abuse Offender Treatment, and Drug Court programs to the counties.	121	121	Shifting the program and funding to counties would provide counties the ability to allocate the resources in keeping with local priorities.
<b>Totals, Shifts in Program Responsibility</b>		<b>\$3,115</b>	<b>\$3,315</b>	

<sup>a</sup> Given the significant changes related to federal health care reform, we are reviewing whether additional health programs would benefit from realignment or changed cost sharing relationships.

## Realignment Options—Changes in Cost Sharing

(In Millions) As Compared With May Revision, Workload Budget

Program	Option	2010-11 General Fund Savings	2011-12 General Fund Savings	Notes
<b>Social Services</b>				
In-Home Supportive Services (IHSS)	Increase county share	\$317	\$443	Assumes full-year implementation and changes the nonfederal state/county sharing ratio from 35/65 to 50/50. Increased savings in budget year-plus one are due to (1) caseload and (2) expiration of American Recovery and Reinvestment Act (ARRA) Federal Medical Assistance Percentages (FMAP) relief. We caution against realigning a larger portion of IHSS because counties do not have control over IHSS eligibility. Additionally, while counties have a share of cost in IHSS, they generally have no share of cost in nursing home care.
Child Welfare Services	Increase county share	74	74	Assumes full-year implementation and changes the nonfederal state/county sharing ratio from 70/30 to 60/40; assumes change occurs in 56 counties (two are participating in a federal waiver, so changing cost sharing ratio may be problematic).
Foster Care Grants	Increase county share	103	118	Assumes full-year implementation and changes the nonfederal state/county sharing ratio from 40/60 to 25/75; increased savings in budget year-plus one is due to the expiration of ARRA FMAP relief, offset by caseload decline. Assumes change occurs in 56 counties (two are participating in a federal waiver, so changing cost-sharing ratios may be problematic).
Foster Care Administration	Increase county share	3	2	Assumes full-year implementation and changes the nonfederal state/county sharing ratio from 70/30 to 60/40; decreased savings in budget year-plus one is due to caseload decline. Assumes change occurs in 56 counties (two are participating in a federal waiver, so changing cost sharing ratios may be problematic).
Adoption Assistance	Increase county share	70	81	Assumes full-year implementation and changes the nonfederal state/county sharing ratio from 75/25 to 60/40; increased savings in budget year-plus one due to (1) caseload increase and (2) expiration of ARRA FMAP relief.
Adoptions	Increase county share	15	15	Assumes full-year implementation and changes the nonfederal state/county sharing ratio from 100/0 to 75/25; decreased savings in budget year-plus one due to caseload decline. Program changes likely required as half the counties run their own adoptions programs, while the others rely on state operations.
CalWORKs Grants	Increase county share from 2.5 percent to 25 percent	788	827	Assumes full-year implementation of increasing county grant share from 2.5 percent to 25 percent. Counties have significant control over service array and sanctions. Increasing their incentive to help families leave aid has policy merit. Need to resolve state/local fiscal impacts of changes scheduled for 2011-12.
County Welfare Automation	Increase county share from an effective 6 percent to 25 percent	44	44	Assumes full-year implementation of increasing share from 6 percent to 25 percent. Savings will vary from year to year based on project costs. There is merit in giving counties a share of cost in the systems they request. However, counties might under invest and have trouble setting aside sufficient funds in development intensive years.
CalWORKs Services and Administration	Create a 25 percent share of cost	401	442	Assumes full-year implementation of creating a 25 percent share of cost for Cal-WORKs services and administration. Counties have some control over these costs.
<b>Totals, Changes in Cost Sharing</b>		<b>\$1,814</b>	<b>\$2,046</b>	
<b>Grand Totals</b>		<b>\$4,929</b>	<b>\$5,361</b>	