



# COUNTY OF SONOMA

575 ADMINISTRATION  
DRIVE, ROOM 102A  
SANTA ROSA, CA 95403

## SUMMARY REPORT

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**Agenda Date:** 6/2/2026

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**To:** County of Sonoma Board of Supervisors  
**Department or Agency Name(s):** Department of Health Services  
**Staff Name and Phone Number:** Nolan Sullivan, 707-565-4774  
**Vote Requirement:** 4/5th  
**Supervisorial District(s):** Countywide

**Title:**

1991 Realignment Transfer

**Recommended Action:**

- A) Adopt a resolution to transfer \$4,927,850 from the 1991 Realignment Public Health Subaccount to the 1991 Realignment Mental Health Subaccount within Fiscal Year 2025-2026, per Welfare and Institutions Code Section 17600.20. (4/5<sup>th</sup> Vote Required)
- B) Authorize the Director of Health Services to submit the necessary transfer notification to the State Controller's Office.

**Executive Summary:**

The Department of Health Services is seeking authority to transfer \$4,927,850 from the 1991 Realignment Public Health Subaccount to the Mental Health Subaccount and to amend the Fiscal Year 2025-2026 budget accordingly. This request also authorizes the Director of Health Services to submit required notification to the California Department of Health Care Services.

This transfer leverages allowable 1991 Realignment fiscal flexibility (including the 10% inter-subaccount transfer provision) to address increased demand for community-based mental health services, including inpatient and institutional care, which currently exceeds Mental Health Realignment revenues. The Public Health Subaccount has sufficient available balance to support this one-time reallocation without impacting core public health operations.

**Discussion:**

The Department of Health Services is seeking authority to transfer \$4,927,850 from the 1991 Realignment Public Health Subaccount to the 1991 Realignment Mental Health Subaccount within Fiscal Year (FY) 2025-2026. The Board is also asked to adopt a budget resolution to amend the FY 2025-2026 budget to reflect this transfer and to authorize the Director of Health Services to submit the required transfer notification to the California Department of Health Care Services (DHCS).

This action utilizes the fiscal flexibility authorized under 1991 Realignment statutes, which allows counties to transfer funds among Health, Mental Health, and Social Services subaccounts. Specifically, Welfare and Institutions Code (WIC) Section 17600.20 permits such transfers with Board of Supervisors approval, for a one-year period, and requires notification to the State Controller.

Sonoma County is currently experiencing increased demand for community-based mental health services,

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including psychiatric inpatient hospitalization and Institutions for Mental Disease (IMD) services, which exceeds available Mental Health Realignment revenues. At the same time, the Public Health Realignment Subaccount maintains sufficient fund balance in the current fiscal year to support a one-time reallocation without adversely impacting core public health operations. This transfer is consistent with the allowable 10 percent inter-subaccount flexibility provision, which permits counties to shift up to 10 percent of a subaccount’s annual allocation to address service needs across systems.

The proposed transfer totals \$4,927,850 and is comprised of:

- \$2,497,815 representing the allowable 10 percent transfer based on FY 2024-2025 base Vehicle License Fee (VLF) and Sales Tax revenues and growth; and
- \$2,430,035 representing estimated interest earnings. This reflects 100 percent of the total estimated interest earnings based on mid-year estimates and the maximum amount to be transferred in FY 2025-2026.

The transfer will move funds from Public Health Realignment (Fund 11991, Department ID 22050100) to Mental Health Realignment (Fund 11992, Department ID 22050300). The recommended budget resolution will increase appropriations by \$3,427,850, resulting in a total revised transfer amount of \$4,927,850.

This action aligns available Realignment resources with current service demands and provides additional support for increased costs associated with long-term care placements, conservatorship responsibilities, and recovery-based services. This adjustment helps sustain continuity of critical mental health services for Sonoma County residents.

Future year budget requests will include up to the allowable 10% allocation, as well as any interest earned, in accordance with applicable Realignment funding guidelines. Funds will be appropriated to support ongoing behavioral health service needs, including treatment, placement, and supportive care costs associated with higher-acuity clients and mandated services.

**Strategic Plan:**

None

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

**Prior Board Actions:**

None

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY25-26 Adopted</b>	<b>FY26-27 Projected</b>	<b>FY27-28 Projected</b>
Budgeted Expenses	\$1,500,000		
Additional Appropriation Requested	\$3,427,850		
<b>Total Expenditures</b>	<b>\$4,927,850</b>		
<b>Funding Sources</b>			
General Fund/WA GF			

State/Federal	\$2,497,815		
Fees/Other			
Use of Fund Balance	\$2,430,035		
General Fund Contingencies			
<b>Total Sources</b>	<b>\$4,927,850</b>		

**Narrative Explanation of Fiscal Impacts:**

The current fiscal year budget includes a transfer of \$1,500,000 from the 1991 Health Realignment revenues. This item requests that the Board increase the transfer of revenues by \$997,815. This increases the transfer of revenues from Health Realignment to \$2,497,815, as indicated in the discussion. In addition, the Department will transfer up to \$2,430,035 in interest earnings from 1991 Health Realignment to the 1991 MH Realignment fund. This brings the total amount to be transferred this fiscal year to \$4,927,850.

**Narrative Explanation of Staffing Impacts (If Required):**

None

**Attachments:**

Attachment 1 - Budget Resolution

**Related Items "On File" with the Clerk of the Board:**

None