

60. Adopt resolution accepting unanticipated State Realignment/Vehicle License Fee revenue in the amount of \$987,434 for inpatient mental health services in the Health Services Agency Behavioral Health Division budget for Fiscal Year 2025-26
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County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Health Services Agency

Subject: Health Services Agency Behavioral Health Budget Correction and Resolution to Accept State Realignment/Vehicle License Fee Revenue

Meeting Date: June 24, 2025

Formal Title: Adopt resolution accepting unanticipated State Realignment/Vehicle License Fee revenue in the amount of \$987,434 for inpatient mental health services in the Health Services Agency Behavioral Health Division budget for Fiscal Year 2025-26

Recommended Actions

Adopt a resolution to accept and appropriate unanticipated State Realignment/Vehicle License Fee revenue in the amount of \$987,434 for inpatient mental health services in the Health Services Agency Behavioral Health Division budget for Fiscal Year 2025-26.

Executive Summary

The Health Services Agency (HSA) Behavioral Health Division (BHD) initially reduced its Fiscal Year (FY) 2025-26 budget for inpatient mental health services, mistakenly classifying them as non-mandated indigent services. These expenses are now being restored and offset by \$987,434 in newly identified State Realignment/Vehicle License Fee revenue, based on updated information from the California Governor's May Revision to the FY 2025-26 Proposed Budget.

Discussion

HSA BHD's original FY 2025-26 budget submission included a significant reduction in inpatient mental health service expenditures that were initially identified as non-mandated indigent services, as detailed in HSA's major budget changes under indigent and uninsured treatment services. However, it was later determined that these expenditures were misidentified as non-mandated indigent services and should not have been reduced from the original budget submission. As mandated services for eligible low-income adults, they are now being restored.

To offset this restoration of expenditures, information received since the initial submission of HSA BHD's budget, particularly the Governor's May budget revision, revealed additional available State Realignment/Vehicle License Fee revenue in the amount of \$987,434, which is being added to HSA BHD's FY 2025-26 budget to offset the restoration of the erroneously reduced expenditures.

Financial Impact

The AUD-60 resolution accepts unanticipated revenue in the amount \$987,434 under GL Key 363101/40471 and appropriates into GL Key 363140/64027 for inpatient mental health services. No additional County General Fund contribution is needed or requested.

Strategic Initiatives

Operational Plan - Comprehensive Health & Safety

Submitted By:

Jennifer Herrera, Interim Director of Health Services

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.

**BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, STATE OF CALIFORNIA**

Resolution No.

On the motion of Supervisor

Duly seconded by Supervisor

The following resolution is adopted:

RESOLUTION ACCEPTING UNANTICIPATED REVENUE

WHEREAS, the County of Santa Cruz is the recipient of funds, in the amount of \$ 987,434,
from Vehicle License Fee Realignment,
for the restoration of inpatient services program; and

WHEREAS, the above-referenced funds are either in excess of those anticipated or are not specifically set forth in the current fiscal year budget for the County; and

WHEREAS, pursuant to Government Code section 29130(b), such funds may be made available for specific appropriation by four-fifths vote of the Board of Supervisors;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector accept the amount of \$ 987,434 for the
restoration of inpatient services program.

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
363101	40471			987,434	ST-MOTOR VEHIC HSA REALIGNMENT

and that such funds be and are hereby appointed as follows:

GL Key	GL Object	JL Key	JL Object	Amount	Account Description
363140	64027			987,434	OUTSIDE HOSPITAL EXPENSE

PASSED AND ADOPTED BY THE Board of Supervisors of the County of Santa Cruz, State of California,
 this _____ day of _____, _____ by the following vote
 (requires four-fifths vote for approval):

AYES:


NOES:

ABSENT:

 Chair of the Board

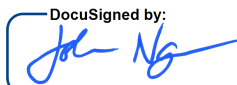
ATTEST: _____
 Clerk of the Board

DEPARTMENT HEAD I hereby certify that the fiscal provisions have been researched and that the
 Revenue(s) (has been)(will be) received within the current fiscal year.

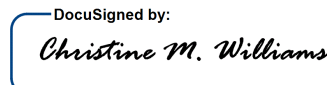
BY:  Jessica Randolph for Date: 6/17/2025
DocuSigned by: A2B41EE65D5549A
 Department Head

COUNTY ADMINISTRATIVE OFFICER / X / Recommended to Board
 / / Not Recommended to Board

APPROVED AS TO FORM:

 F0F6FD189D784BF...
 Office of the County Counsel

APPROVED AS TO ACCOUNTING DETAIL:

 A0BD913F7FB5454...
 Health Services Agency on behalf of
 Auditor-Controller-Treasurer-Tax Collector

Distribution:

Auditor-Controller-Treasurer-Tax Collector
 County Counsel
 County Administrative Officer
 Originating Department

Certificate Of Completion

Envelope Id: 4742160E-F418-45CE-B3AF-64C4F19ACC7F

Status: Completed

Subject: Resolution (25-1999) 6/24/2025 BOS – Resolution AUD60 State Realignment/Vehicle License Fee Revenue

Source Envelope:

Document Pages: 2

Signatures: 3

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Initials: 0

HSA Admin Processing

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Santa Cruz, CA 95060

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

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Christine M. Williams

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Chief of Fiscal Services

County of Santa Cruz

Security Level: Email, Account Authentication
(None)

Signature

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Christine M. Williams
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Lead Assistant County County Counsel

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John Ng
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Jessica Randolph

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Director of Admin Services

County of Santa Cruz

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(None)

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Jessica Randolph
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Electronic Record and Signature Disclosure:

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ID: 74e50d54-1eb1-4e1b-9327-a29acd01efcb

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Sr. Admin. Analyst

County of Santa Cruz

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(None)

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Carbon Copy Events	Status	Timestamp
Mary Chavez Mary.Chavez@santacruzcountyca.gov Administrative Services Manager, HSA County of Santa Cruz Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 1/29/2024 11:09:47 AM ID: bea244a8-de93-452d-ae33-0e92921eb7f4	<div>COPIED</div>	Sent: 6/17/2025 4:56:36 PM
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