

Assembly Bill No. 2568

CHAPTER 469

An act to amend Section 30025 of the Government Code, and to add Section 18986.89 to the Welfare and Institutions Code, relating to health and human services.

[Approved by Governor September 22, 2016. Filed with
Secretary of State September 22, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2568, Atkins. County integrated health and human services program.

Existing law authorizes the Counties of Humboldt, Mendocino, and Alameda to implement a program for the funding and delivery of services and benefits through an integrated and comprehensive county health and human services system, subject to certain limitations.

This bill would authorize the County of San Diego, upon approval of the county board of supervisors and the California Health and Human Services Agency, to operate an integrated and comprehensive county health and human services system, as specified.

Existing law establishes the Local Revenue Fund 2011 to provide funding to counties for public safety services, including mental health and foster care services, among others. Existing law directs each county to establish a County Local Revenue Fund 2011 for receipt of funds allocated from the Local Revenue Fund 2011, and further directs the county to establish various accounts and subaccounts within the County Local Revenue Fund 2011, including a Protective Services Subaccount and a Behavioral Health Subaccount. Existing law provides that a county authorized to operate an integrated and comprehensive county health and human services system may reallocate money between the Protective Services Subaccount and the Behavioral Health Subaccount, consistent with specified provisions.

This bill would provide that a county's reallocation of funds between the Protective Services Subaccount and the Behavioral Health Subaccount remains in effect for only the fiscal year in which the reallocation is made, and would require the county to report the reallocation to the Department of Finance and the Secretary of California Health and Human Services, as specified.

The people of the State of California do enact as follows:

SECTION 1. Section 30025 of the Government Code is amended to read:

30025. (a) The Local Revenue Fund 2011 is hereby created in the State Treasury and shall receive all revenues, less refunds, derived from the taxes described in Sections 6051.15 and 6201.15; revenues as may be allocated to the fund pursuant to Sections 11001.5 and 11005 of the Revenue and Taxation Code; and other moneys that may be specifically appropriated to the fund.

(b) (1) (A) The Trial Court Security Account, the Local Community Corrections Account, the Local Law Enforcement Services Account, the Mental Health Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Health and Human Services Account, the Reserve Account, and the Undistributed Account are hereby created within the Local Revenue Fund 2011.

(B) On September 15, 2012, all of the funds in the Trial Court Security Account, the Local Community Corrections Account, the Local Law Enforcement Services Account, the District Attorney and Public Defender Account, and the Juvenile Justice Account shall be distributed to the appropriate successor subaccounts and special accounts as provided in paragraph (3), and on September 30, 2012, are abolished.

(C) On September 30, 2012, the Health and Human Services Account is abolished.

(D) On January 1, 2013, the Reserve Account and the Undistributed Account described in subparagraph (A) are abolished.

(2) (A) The Support Services Account, the Law Enforcement Services Account, and the Sales and Use Tax Growth Account are hereby created within the Local Revenue Fund 2011.

(B) The Protective Services Subaccount, the Behavioral Health Subaccount, and the County Intervention Support Services Subaccount are hereby created within the Support Services Account.

(C) The Trial Court Security Subaccount, the Enhancing Law Enforcement Activities Subaccount, the Community Corrections Subaccount, the District Attorney and Public Defender Subaccount, and the Juvenile Justice Subaccount are hereby created within the Law Enforcement Services Account.

(D) The Enhancing Law Enforcement Activities Growth Special Account is hereby created within the Enhancing Law Enforcement Activities Subaccount.

(E) The Support Services Growth Subaccount and the Law Enforcement Services Growth Subaccount are hereby created within the Sales and Use Tax Growth Account.

(F) The Protective Services Growth Special Account and the Behavioral Health Services Growth Special Account are created within the Support Services Growth Subaccount.

(G) The Women and Children's Residential Treatment Services Special Account is hereby created in the Behavioral Health Subaccount for the Women and Children's Residential Services Treatment Program as described in Chapter 2.1 (commencing with Section 11757.65) of the Welfare and Institutions Code.

(H) The Trial Court Security Growth Special Account, the Community Corrections Growth Special Account, the District Attorney and Public Defender Growth Special Account, and the Juvenile Justice Growth Special Account are hereby created within the Law Enforcement Services Growth Subaccount.

(3) On September 15, 2012, the funds in the following accounts and subaccounts, and funds that subsequently would have been deposited in the following accounts and subaccounts, shall be transferred as follows:

(A) Funds in the Trial Court Security Account shall be transferred to the Trial Court Security Subaccount.

(B) Funds in the Local Community Corrections Account shall be transferred to the Community Corrections Subaccount.

(C) Funds in the Local Law Enforcement Services Account shall be transferred to the Enhancing Law Enforcement Activities Subaccount.

(D) Funds in the District Attorney and Public Defender Account shall be transferred to the District Attorney and Public Defender Subaccount.

(E) Funds in the Juvenile Justice Account shall be transferred to the Juvenile Justice Subaccount.

(c) (1) (A) The Youthful Offender Block Grant Subaccount and the Juvenile Reentry Grant Subaccount are hereby created within the Juvenile Justice Account.

(B) On September 15, 2012, all of the funds in the Youthful Offender Block Grant Subaccount and the Juvenile Reentry Grant Subaccount shall be distributed to the appropriate successor special accounts as provided in paragraph (3), and on September 30, 2012, the subaccounts are abolished.

(2) The Youthful Offender Block Grant Special Account and the Juvenile Reentry Grant Special Account are hereby created within the Juvenile Justice Subaccount.

(3) On September 15, 2012, the funds in the following subaccounts, and funds that subsequently would have been deposited in the following subaccounts, shall be transferred as follows:

(A) Funds in the Youthful Offender Block Grant Subaccount shall be transferred to the Youthful Offender Block Grant Special Account.

(B) Funds in the Juvenile Reentry Grant Subaccount shall be transferred to the Juvenile Reentry Grant Special Account.

(d) (1) (A) The Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, the Child Abuse Prevention Subaccount, the Women and Children's Residential Treatment Services Subaccount, the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount are hereby created within the Health and Human Services Account within the Local Revenue Fund 2011.

(B) On September 15, 2012, all of the funds in the Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount,

the Adoptions Subaccount, the Adoption Assistance Program Subaccount, the Child Abuse Prevention Subaccount, the Women and Children's Residential Treatment Services Subaccount, the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount shall be distributed to the appropriate successor subaccounts as provided in paragraph (2), and on September 30, 2012, the subaccounts named in this paragraph are abolished.

(2) On September 15, 2012, the funds in the following subaccounts, and funds that subsequently would have been deposited in the following subaccounts, shall be transferred as follows:

(A) Funds in the Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, and the Child Abuse Prevention Subaccount shall be transferred to the Protective Services Subaccount.

(B) Funds in the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount shall be transferred to the Behavioral Health Subaccount.

(C) Funds in the Women and Children's Residential Treatment Services Subaccount shall be transferred to the Women and Children's Residential Treatment Services Special Account.

(e) Funds transferred to the Local Revenue Fund 2011 and its accounts, subaccounts, and special accounts are, notwithstanding Section 13340, continuously appropriated and shall be allocated pursuant to statute exclusively for Public Safety Services as defined in subdivision (i) and as further limited by statute. The moneys derived from taxes described in subdivision (a) and deposited in the Local Revenue Fund 2011 shall be available to reimburse the General Fund for moneys that are advanced to the Local Revenue Fund 2011. Additionally, all funds deposited in the Local Revenue Fund 2011 and its accounts shall be available to pay for state costs incurred during the 2011–12 fiscal year from state agency or department appropriations authorized in the Budget Act of 2011 for the realignment of Public Safety Services programs during the 2011–12 legislative session. The Department of Finance is authorized to determine the time, manner, and amount to be reimbursed pursuant to this subdivision, provided that reimbursement shall be made no later than December 1, 2012.

(f) (1) Each county treasurer, city and county treasurer, or other appropriate official shall create a County Local Revenue Fund 2011 for the county or city and county.

(2) (A) Each county treasurer, city and county treasurer, or other appropriate official shall create the Local Community Corrections Account, the Trial Court Security Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Health and Human Services Account, and the Supplemental Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county.

(B) On September 15, 2012, each county treasurer, city and county treasurer, or other appropriate official shall distribute all of the funds in the

Local Community Corrections Account, the Trial Court Security Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Health and Human Services Account, and the Supplemental Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county to the appropriate successor accounts as provided in paragraphs (7) and (8), and on September 30, 2012, each county treasurer, city and county treasurer, or other appropriate official shall abolish the accounts described in subparagraph (A).

(3) Each county treasurer, and city and county treasurer, or other appropriate official, shall create the Support Services Account and the Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county.

(4) Each county treasurer, and city and county treasurer, or other appropriate official, shall create the Protective Services Subaccount and the Behavioral Health Subaccount within the Support Services Account.

(A) Any county or city and county may only annually reallocate money between subaccounts in the Support Services Account, provided that the reallocation may not exceed 10 percent of the amount deposited in the immediately preceding fiscal year in the subaccount in the Support Services Account with the lowest balance.

(B) A county or city and county shall, at a regularly scheduled public hearing of its governing body, document that any decision to make any change in its allocation between the Protective Services Subaccount or Behavioral Health Subaccount moneys among services, facilities, programs, or providers as a result of reallocating funds pursuant to subparagraph (A) was based on the most cost-effective use of available resources to maximize client outcomes.

(C) Any reallocation made pursuant to this paragraph shall only be in effect for the fiscal year in which the reallocation is made, and the reallocation shall be neither a permanent allocation nor a permanent funding source for any program or service receiving funds from the reallocation.

(D) Any county or city and county that reallocates funds pursuant to this paragraph shall forward a copy of the documentation in subparagraph (B) to the Controller. The Controller shall make an annual report to the fiscal committees of the Legislature of transfers made and shall forward copies of the documentation to other interested parties upon request.

(E) (i) Notwithstanding subparagraph (A), any county authorized to operate an integrated and comprehensive county health and human services system pursuant to Chapter 12.95 (commencing with Section 18989), Chapter 12.96 (commencing with Section 18986.60), or Chapter 12.991 (commencing with Section 18986.86) of Part 6 of Division 9 of the Welfare and Institutions Code may reallocate money between the Protective Services Subaccount and the Behavioral Health Subaccount within the Support Services Account of the County Local Revenue Fund 2011 established pursuant to paragraph (3), consistent with the provisions and restrictions contained in Chapter 12.95 (commencing with Section 18989), Chapter 12.96 (commencing with

Section 18986.60), or Chapter 12.991 (commencing with Section 18986.86) of Part 6 of Division 9 of the Welfare and Institutions Code.

(ii) A reallocation made pursuant to clause (i) shall be in effect for only the fiscal year in which the reallocation is made and the reallocation shall be neither a permanent allocation nor a permanent funding source for any program or service receiving funds from the reallocation.

(iii) A county or city and county that reallocates funds pursuant to clause (i) shall make a report to the Department of Finance and the Secretary of California Health and Human Services describing the reallocation made for that fiscal year.

(F) The Counties of Alameda, Los Angeles, Marin, San Diego, San Francisco, and San Joaquin shall create, within the Behavioral Health Subaccount created pursuant to this paragraph, a County Women and Children's Residential Treatment Services Special Account.

(5) Each county treasurer, city and county treasurer, or other appropriate official shall create the following subaccounts and special accounts for each respective county or city and county:

(A) The Trial Court Security Subaccount, the Enhancing Law Enforcement Activities Subaccount, the Community Corrections Subaccount, the District Attorney and Public Defender Subaccount, the Juvenile Justice Subaccount, and the Local Innovation Subaccount within the Law Enforcement Services Account.

(B) The Youthful Offender Block Grant Special Account and the Juvenile Reentry Grant Special Account within the Juvenile Justice Subaccount.

(6) (A) Each county treasurer, city and county treasurer, or other appropriate official shall create, if so directed by the board of supervisors, a Support Services Reserve Subaccount in the Support Services Account.

(B) A county's or city and county's board of supervisors shall have the authority to reallocate funds from the Protective Services Subaccount or the Behavioral Health Subaccount, or both, to the Support Services Reserve Subaccount in an amount equal to, or less than, 5 percent of the total funds allocated to those subaccounts from the corresponding State Treasury subaccounts for the immediately preceding fiscal year, provided that no reallocation may occur that would cause the Support Services Reserve Subaccount to exceed 5 percent of the total funds allocated to the Protective Services Subaccount and the Behavioral Health Subaccount from the corresponding State Treasury subaccounts for the immediately preceding fiscal year. The county's or city and county's board of supervisors shall have the authority to spend moneys deposited in the Support Services Reserve Subaccount as they would any funds in the Protective Services Subaccount or the Behavioral Health Subaccount. The authorization to make this reallocation or to appropriate the funding may only be made in a duly noticed public meeting. The county or city and county shall document any reallocations that occurred in the previous fiscal year by September 30 and shall forward a copy of the documentation to the Controller. The Controller shall make an annual report to the fiscal committees of the Legislature of

reallocations made and shall forward copies of the documentation to other interested parties upon request.

(7) On September 15, 2012, each county treasurer, city and county treasurer, or other appropriate official shall distribute all of the funds in the Local Community Corrections Account, the Trial Court Security Account, the District Attorney and Public Defender Account, the Juvenile Justice Account, the Youthful Offender Block Grant Subaccount, the Juvenile Reentry Grant Subaccount, and the Supplemental Law Enforcement Services Account within the County Local Revenue Fund 2011 for the county or city and county to the appropriate successor subaccounts and special accounts as follows:

(A) Funds in the Local Community Corrections Account shall be transferred to the Community Corrections Subaccount.

(B) Funds in the Trial Court Security Account shall be transferred to the Trial Court Security Subaccount.

(C) Funds in the District Attorney and Public Defender Account shall be transferred to the District Attorney and Public Defender Subaccount.

(D) Funds in the Juvenile Justice Account shall be transferred to the Juvenile Justice Subaccount.

(E) Funds in the Youthful Offender Block Grant Subaccount shall be transferred to the Youthful Offender Block Grant Special Account.

(F) Funds in the Juvenile Reentry Grant Subaccount shall be transferred to the Juvenile Reentry Grant Special Account.

(G) Funds in the Supplemental Law Enforcement Services Account shall be transferred to the Enhancing Law Enforcement Activities Subaccount.

(8) On September 15, 2012, each county treasurer, city and county treasurer, or other appropriate official shall distribute the funds in the Health and Human Services Account within the County Local Revenue Fund 2011 for the county or city and county to the appropriate successor accounts and subaccounts as follows:

(A) Funds that a county or city and county received from the Adult Protective Services Subaccount, the Foster Care Assistance Subaccount, the Foster Care Administration Subaccount, the Child Welfare Services Subaccount, the Adoptions Subaccount, the Adoption Assistance Program Subaccount, and the Child Abuse Prevention Subaccount in the Local Revenue Fund 2011 shall be transferred to the Protective Services Subaccount in the County Local Revenue Fund 2011.

(B) Funds that a county or city and county received from the Drug Court Subaccount, the Nondrug Medi-Cal Substance Abuse Treatment Services Subaccount, and the Drug Medi-Cal Subaccount in the Local Revenue Fund 2011 shall be transferred to the Behavioral Health Subaccount in the County Local Revenue Fund 2011.

(C) Funds that a county or city and county received from the Women and Children's Residential Treatment Services Subaccount shall be transferred to the Women and Children's Residential Treatment Services Special Account within the Behavioral Health Subaccount.

(9) The moneys in the County Local Revenue Fund 2011 for each county or city and county and its accounts shall be exclusively used for Public Safety Services as defined in subdivision (i) and as further described in this section.

(10) The moneys in and transferred from the Trial Court Security Account, and the moneys in its successor subaccount and special account, the Trial Court Security Subaccount and the Trial Court Security Growth Special Account, shall be used exclusively to fund trial court security provided by county sheriffs. No general county administrative costs may be charged to this account, including, but not limited to, the costs of administering the account.

(11) The moneys in and transferred from the Local Community Corrections Account, and the moneys in its successor subaccount and special account, the Community Corrections Subaccount and the Community Corrections Growth Special Account, shall be the source of funding for the provisions of Chapter 15 of the Statutes of 2011. This funding shall not be used by local agencies to supplant other funding for Public Safety Services. This account, subaccount, and special account shall be the source of funding for the Postrelease Community Supervision Act of 2011, as enacted by Section 479 of Chapter 15 of the Statutes of 2011, and to fund the housing of parolees in county jails.

(12) The moneys in and transferred from the District Attorney and Public Defender Account, and the moneys in its successor subaccount and special account, the District Attorney and Public Defender Subaccount and the District Attorney and Public Defender Growth Special Account, shall be used exclusively to fund costs associated with revocation proceedings involving persons subject to state parole and the Postrelease Community Supervision Act of 2011 (Title 2.05 (commencing with Section 3450) of Part 3 of the Penal Code), and may be used to fund planning, implementation, and training costs for those proceedings. The moneys shall be allocated equally by the county or city and county to the district attorney's office and county public defender's office, or where no public defender's office is established, to the county for distribution for the same purpose.

(13) The moneys in and transferred from the Juvenile Justice Account, and the moneys in its successor subaccount and special account, the Juvenile Justice Subaccount and the Juvenile Justice Growth Special Account, shall only be used to fund activities in connection with the grant programs described in this paragraph.

(A) The Youthful Offender Block Grant Subaccount, and its successor, the Youthful Offender Block Grant Special Account, shall be used to fund grants solely to enhance the capacity of county probation, mental health, drug and alcohol, and other county departments to provide appropriate rehabilitative, housing, and supervision services to youthful offenders, subject to Sections 731.1, 733, 1766, and 1767.35 of the Welfare and Institutions Code. Counties, in expending an allocation from this subaccount or special account, shall provide all necessary services related to the custody and parole of the offenders.

(B) The Juvenile Reentry Grant Subaccount, and its successor, the Juvenile Reentry Grant Special Account, shall be used to fund grants exclusively to address local program needs for persons discharged from the custody of the Department of Corrections and Rehabilitation, Division of Juvenile Facilities. County probation departments, in expending the Juvenile Reentry Grant allocation, shall provide evidence-based supervision and detention practices and rehabilitative services to persons who are subject to the jurisdiction of the juvenile court, and who were committed to and discharged from the Department of Corrections and Rehabilitation, Division of Juvenile Facilities. “Evidence-based” refers to supervision and detention policies, procedures, programs, and practices demonstrated by scientific research to reduce recidivism among individuals on probation or under postrelease supervision. The funds allocated from this subaccount or special account shall supplement existing services and shall not be used by local agencies to supplant any existing funding for existing services provided by those entities. The funding provided from this subaccount or special account is intended to provide payment in full for all local government costs of the supervision, programming, education, incarceration, or any other cost resulting from persons discharged from custody or held in local facilities pursuant to the provisions of Chapter 729 of the Statutes of 2010.

(14) The moneys in and transferred from the Supplemental Law Enforcement Services Account, and the moneys in its successor subaccount, the Enhancing Law Enforcement Activities Subaccount, and moneys in the Enhancing Law Enforcement Activities Growth Special Account, shall be used to provide grants and funding to local law enforcement as provided by statute.

(15) Notwithstanding any other provision of this section, the moneys in the Local Innovation Subaccount shall be used to fund local needs. The board of supervisors of a county or city and county shall have the authority to spend money deposited in the Local Innovation Subaccount as it would any funds in the Juvenile Justice Subaccount, the District Attorney and Public Defender Subaccount, the Community Corrections Subaccount, or the Trial Court Security Subaccount.

(16) The moneys in and transferred from the Health and Human Services Account and its subaccounts and the moneys in its successor account, the Support Services Account, and the moneys in the Protective Services Subaccount and the Behavioral Health Subaccount shall be used only to fund activities performed in connection with the programs described in this subdivision. Except as provided in subdivisions (c) and (d), as restricted by subdivision (e), of Section 30026.5, counties and cities and counties shall pay 100 percent of the nonfederal costs of the programs described in this subdivision using funds allocated from the Local Revenue Fund, the Local Revenue Fund 2011, and any required matching expenditures. Funds shall be used in a manner that maintains eligibility for federal funding.

(A) The moneys in the Protective Services Subaccount and the Protective Services Growth Special Account shall be used exclusively to fund the following:

- (i) Adult protective services described in statute and regulation.
 - (ii) Foster care grants and services as those services are described in statute, regulation, and the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project.
 - (iii) The administrative costs of foster care services as those services are described in statute, regulation, and the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project.
 - (iv) The costs of child welfare services as those services are described in statute, regulation, and the Title IV-E Child Welfare Waiver Demonstration Capped Allocation Project.
 - (v) The costs connected with providing adoptive services, including agency adoptions, as described in statute and regulation, including the costs incurred by the county or city and county if the county or city and county elects to contract with the state to provide those services.
 - (vi) The costs of child abuse prevention, intervention, and treatment services as those costs and services are described in statute and regulation.
 - (vii) The administrative costs and payments for families adopting children with special needs.
- (B) The moneys in the Behavioral Health Subaccount and the Behavioral Health Services Growth Special Account shall be used exclusively to fund the following:
- (i) Residential perinatal drug services and treatment as those services and treatment are described in statute and regulation.
 - (ii) Drug court operations and services as those costs are currently permitted and described by statute and regulation.
 - (iii) Nondrug Medi-Cal substance abuse treatment programs, as described in statute and regulation.
 - (iv) The Drug Medi-Cal program as that program is described in statute, regulation, or the State Plan or its amendment or amendments.
 - (v) Medi-Cal specialty mental health services, including the Early and Periodic Screening, Diagnosis, and Treatment Program and mental health managed care, as described in statute, regulation, the managed care waiver provisions of Title XIX of the federal Social Security Act (42 U.S.C. Sec. 1396n), or the State Plan or its amendment or amendments.
- (C) The moneys in the Women and Children's Residential Treatment Services Special Account shall be used exclusively to fund the Women and Children's Residential Treatment Services program, as described in Chapter 2.1 (commencing with Section 11757.65) of the Welfare and Institutions Code.
- (g) The moneys in the Reserve Account shall be used to fund entitlements paid from the Foster Care Assistance Subaccount, the Drug Medi-Cal Subaccount, and the Adoption Assistance Program Subaccount of the Health and Human Services Account after the funding of any entitlements for the 2011–12 fiscal year, and not later than December 1, 2012.
 - (h) The moneys in the Undistributed Account shall be used to reimburse the General Fund for costs incurred and expenditures made by the state on behalf of any local government entity in providing Public Safety Services,

as defined in subdivision (i), after all 2011–12 costs have been reimbursed, but not later than December 1, 2012.

(i) For purposes of this section, “Public Safety Services” shall include all of the following:

(1) Employing and training public safety officials, including law enforcement personnel, attorneys assigned to criminal proceedings, and court security staff.

(2) Managing local jails and providing housing, treatment, and services for, and supervision of, juvenile and adult offenders.

(3) Preventing child abuse, neglect, or exploitation; providing services to children and youth who are abused, neglected, or exploited, or who are at risk of abuse, neglect, or exploitation, and the families of those children; providing adoption services; and providing adult protective services.

(4) Providing mental health services to children and adults in order to reduce failure in school, harm to themselves and others, homelessness, and preventable incarceration or institutionalization.

(5) Preventing, treating, and providing recovery services for substance abuse.

(j) The realignment moneys collected by the state and distributed to the local governmental entities pursuant to this article shall be considered state funds for the purposes of the political subdivision provision of the nonfederal share of Medicaid expenditures for purposes of Section 5001(g)(2) of the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5) and Section 100201(c)(6) of the federal Patient Protection and Affordable Care Act (Public Law 111-148). Although the realignment moneys shall be considered state proceeds of taxes, they are not General Fund revenues.

(k) The receipt of funding by each county or city and county pursuant to this chapter shall be contingent upon the creation of the accounts, subaccounts, and special accounts required by this chapter in each county’s, or city and county’s treasury.

SEC. 2. Section 18986.89 is added to the Welfare and Institutions Code, to read:

18986.89. (a) (1) Notwithstanding the dates provided in subdivisions (a) and (b) of Section 18986.87, the County of San Diego may, upon approval of the county board of supervisors, operate an integrated and comprehensive county health and human services system.

(2) A system described in paragraph (1) shall comply with the requirements of this section and is subject to the approval of the California Health and Human Services Agency. The California Health and Human Services Agency shall grant approval if the county furnishes a certified copy of a current ordinance or resolution authorizing an integrated and comprehensive health and human services system in that county.

(b) In providing services through an integrated system to families and individuals, the system may, among other things, do both of the following:

(1) Maintain and evaluate a system of administration that integrates and coordinates the management and support of client services.

(2) Maintain a system of reporting and accountability that provides for the combined provision of services without the loss of state or federal funds provided under current law.

(c) The integrated and comprehensive county health and human services system may include, but not be limited to, any or all of the following:

- (1) Adoption services.
- (2) Child abuse prevention services.
- (3) Child welfare services.
- (4) Delinquency prevention services.
- (5) Drug and alcohol services.
- (6) Mental health services.
- (7) Eligibility determination.
- (8) Employment and training services.
- (9) Foster care services.
- (10) Health services.
- (11) Public health services.
- (12) Housing services.
- (13) Medically indigent program services.
- (14) Veterans' services.
- (15) Aging services.
- (16) Any other related program as designated by the board of supervisors.

(d) The county shall comply with all applicable state and federal privacy laws that govern medical and social service information, including, but not limited to, the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code), the federal Health Insurance Portability and Accountability Act (HIPAA), and Sections 827, 5328, and 10850.

(e) Programs or services shall be included in the system only to the extent that federal funding to either the state or the county will not be reduced as a result of the inclusion of the services in the project.

(f) This section shall not authorize the county to discontinue meeting its obligations under current law to provide services or to reduce its accountability for the provision of these services.

(g) The county shall utilize any and all state general funds and county funds that it is legally allocated or entitled to receive. Through the creation of integrated health and social services structures, the county shall maximize federal matching funds. This integration shall not result in increased expenditures from the State General Fund.

(h) The appropriate state departments, as designated by the Secretary of Health and Human Services, that are assisting, participating, and cooperating in the program authorized by this section shall have the authority to waive regulations, with the concurrence of the county, regarding the method of providing services and the method of reporting and accountability, as may be required to meet the goals set forth in subdivision (b). However, the departments shall not waive regulations pertaining to privacy and confidentiality of records, civil service merit systems, or collective bargaining. The departments shall not waive regulations if the waiver results

in a diminished amount or level of services or benefits to eligible recipients as compared to the benefits and services that would have been provided to recipients absent the waiver.

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