

BOARD OF SUPERVISORS, COUNTY OF LAKE, STATE OF CALIFORNIA

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING A SHORT-TERM LOAN FROM THE
GENERAL FUND TO LAKE COUNTY BEHAVIORAL HEALTH SERVICES IN
THE AMOUNT OF \$2,000,000.00**

RECITALS

WHEREAS, Government Code Sections 29125, 29126, 29126.1, and 29130 authorize the Board of Supervisors to transfer appropriations and cancel or revise reserves to support County operations; and

WHEREAS, Lake County Behavioral Health Services is currently experiencing a cash flow shortfall due to timing issues associated with the State’s Medi-Cal reimbursement process; and

WHEREAS, under Medi-Cal payment reform, counties must now front a portion of funding—called the “non-federal share”—before the State will reimburse claims. This is done through an Intergovernmental Transfer (IGT), in which County realignment dollars are temporarily deposited with the State to draw down matching federal dollars, which are then paid back; and

WHEREAS, due to successful service expansion and higher-than-average reimbursement rates, Behavioral Health’s budget has grown rapidly, increasing the amount of realignment funding needed for IGT and putting pressure on available cash; and

WHEREAS, the Department is caught in a reimbursement cycle in which nearly all returned funds must immediately be re-deposited with the State to keep claims flowing; and

WHEREAS, the Department has not yet reached an equilibrium in this cycle and must prepare for the State’s scheduled claims processing pause, which begins May 15th and lasts until late August, with payments not resuming until September—a normal part of the State’s year-end budget close-out process; and

WHEREAS, the resulting gap in reimbursement timing creates a short-term cash flow challenge that threatens the Department’s ability to pay vendors and staff; and

WHEREAS, Behavioral Health Services is requesting a short-term loan of \$2,000,000 from the General Fund to support operations through this temporary reimbursement gap, with full repayment expected upon resumption of Medi-Cal payments in the fall;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Lake, State of California, that the following revisions to the FY 2025–26 Adopted Budget are hereby authorized and approved:

RESERVE/DESIGNATION ADJUSTMENTS

Fund	Budget Unit	Title	Explanation	Increase / (Decrease)
110	1120	General Fund	Cancel General/Unreserved- Designated 392.00- 00	(\$2,000,000)

REVENUE ADJUSTMENTS

Fund	Budget Unit	Title	Explanation	Increase / (Decrease)
110	1120	General Fund	Operating Transfers Out 501.80-93	(\$2,000,000)
145	4014	Behavioral Health	Operating Transfers In 501.80-92	\$2,000,000
145	4014	Behavioral Health	Principal and Interest 740.42-11	(\$2,000,000)
110	1120	Non- Departmental Revenue	Subsequent Year Loans from Other Fund 501.80- 99	\$2,000,000

THIS RESOLUTION was passed and adopted by the Board of Supervisors of the County of Lake at a regular meeting held on the 17th day of June 2025, by the following vote:

AYES:

NOES:

ABSENT OR NOT VOTING:

ATTEST:

COUNTY OF LAKE

AUDITOR ACCOUNTING REVIEW:
JENAVIVE HERRINGTON

Chair, Board of Supervisors

BY: _____

Date: _____

Date: _____

APPROVED AS TO FORM:
LLOYD GUINTIVANO
County Counsel

ATTEST:
SUSAN PARKER
Clerk to the Board of Supervisors

By: _____

By: _____

Date: _____

Date: _____

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