



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4120-001-0001, Support, Emergency Medical Service Authority

Increased Emergency Preparedness and Response Capability (Issue 030)—It is requested that Item 4120-001-0001 be increased by \$8,495,000 and 14 positions to maintain and store critical equipment and medical supplies acquired during the COVID-19 Pandemic, and provide resources for the Operations Center and for exercises and training.

Medical Surge Staffing Program (Issue 031)—It is requested that Item 4120-001-0001 be increased by \$1,414,000 and 6 positions for recruitment, on-boarding, and program management of the California Health Corps Program, California Medical Assistance Teams program, and the Disaster Healthcare Volunteers/Medical Reserve Corps Program.

Human Resources Workload Support (Issue 032)—It is requested that Item 4120-001-0001 be increased by \$851,000 and 5 positions for administrative services support for the Human Resources Unit to address workload associated with routine and emergency response personnel services functions.

Statewide Emergency Medical Services Data Solution (Issue 045)—It is requested that Item 4120-001-0001 be increased by \$10 million and 2 positions one-time for planning and readiness activities to establish a statewide emergency services data infrastructure that strengthens real-time information sharing and data analytics for the state and locals, emergency medical services providers, and health care providers.

The effect of my requested action is reflected on the attachments.

If you have any questions or need additional information regarding this matter, please call Steven Pavlov, Principal Program Budget Analyst, at (916)445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee
No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Michelle Baass, Undersecretary, California Health and Human Services Agency
Marko Mijic, Deputy Secretary, California Health and Human Services Agency
Julie Souliere, Assistant Secretary, Health and Human Services Agency
Dave Duncan MD, Director, Emergency Medical Services Authority
Louis Bruhnke, Chief Deputy Director, Emergency Medical Services Authority
Rick Trussell, Chief of Administration, Emergency Medical Services Authority



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support, Local Assistance, and Statutory Changes, Office of Statewide Health Planning and Development

Office of Statewide Health Planning and Development Recast and Modernization

(Issue 93)—It is requested that the following adjustments be made to the following items and statutory changes be added to recast the Office of Statewide Health Planning and Development as the Department of Health Care Access and Information, strengthen health workforce and other data assets, build a more robust health workforce data system, and analyze that data to better inform policy recommendations to help support the state's health care workforce (see related issue in the Department of Health Care Services Finance Letter):

- Item 4140-001-0001 be increased by \$574,000 and 1 position
- Item 4140-001-0121 be increased by \$1,208,000 and 2 positions
- Item 4140-001-0143 be increased by \$1,631,000 and 5.6 positions
- Item 4140-001-0181 be increased by \$34,000 and 0.1 positions
- Health and Safety Code 129200 be increased by \$70,000 and 0.1 positions
- Health and Safety Code 128355 be increased by \$29,000 and 0.1 positions
- Item 4140-001-0890 be increased by \$998,000 and 0.1 positions
- Item 4140-001-3064 be increased by \$9,000
- Item 4140-001-3068 be increased by \$6,000
- Item 4140-001-3085 be increased by \$13,000
- Item 4140-001-8034 be increased by \$18,000
- Item 4140-101-0890 be increased by \$1,747,000

Withdrawal of Proposed Loan from the Hospital Building Fund to the General Fund

(Issue 105)—It is requested that Item 4140-011-0121 be eliminated to withdraw a proposed \$40 million one-time loan from the Hospital Building Fund to the General Fund included in the Governor's Budget.

Geriatric Care Workforce Programs (Issue 113)—It is requested that Item 4140-101-0001 be increased by \$5 million one-time, available over six years, to provide an augmentation to the \$3 million one-time General Fund proposed at the Governor's Budget for geriatric workforce programs. It is also requested that corresponding provisional language be amended to effectuate the augmentation (see Attachment 1).

Song-Brown Healthcare Workforce Program Augmentation (Issue 114)—It is requested that Item 4140-101-0001 be increased by \$50 million one-time, available over six years, for additional awards to support and sustain new primary care residency programs through the Song-Brown Health Care Workforce Training Program. It is also requested that provisional language be added to effectuate the augmentation and to specify correct expenditure timelines (see Attachment 1).

Children and Youth Behavioral Health Initiative: Workforce (Issue 115)—It is requested that Item 4140-062-8506 be added in the amount of \$35 million one-time and Item 4140-162-8506 be added in the amount of \$665 million one-time to support behavioral health providers through existing and new health workforce development programs. For the combined fiscal years 2022-23 and 2023-24, the Budget estimates an additional \$190 million one-time General Fund for workforce development programs and \$10 million one-time General Fund for associated state operations. See related issue in the Health and Human Services Agency, Department of Health Care Services, and Department of Public Health Finance Letters.

Medically Underserved Account for Physicians, HPEF Extension of Encumbrance

Liquidation Period—It is requested that Item 4140-494 be amended to extend the period to liquidate encumbrances from Item 4140-001-8034, Budget Act of 2018 and encumbrances from Item 4140-001-8034, Budget Act of 2019 to support the Steven M. Thompson Physician Corps Loan Repayment Program. This will allow Program grantees additional time to fulfill their respective service grant agreements (see Attachment 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Iliana Ramos, Principal Program Budget Analyst, at (916)445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Michelle Baass, Undersecretary, California Health and Human Services Agency
Marko Mijic, Deputy Secretary, California Health and Human Services Agency
Vishaal Pegany, Assistant Secretary, California Health and Human Services Agency
Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency
Elizabeth Landsberg, Director, Office of Statewide Health Planning and Development
Scott Christman, Chief Deputy Director, Office of Statewide Health Planning and
Development
Monica Erickson, Deputy Director of the Administrative Services Division, Office of Statewide
Health Planning and Development

Amend Provisions 3 and 4 of Item 4140-101-0001 as follows:

- “3. Of the funds appropriated in this item, up to \$18,667,000 is available to fund grant awards for existing primary care residency slots, up to \$3,333,000 is available to fund new primary care residency slots at existing residency programs, and up to \$5,667,000 is available to fund primary care residency slots for existing teaching health centers under the Song-Brown Health Care Workforce Training Act (Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code). Of the funds appropriated in this item, up to \$3,333,000 is available to fund newly accredited primary care residency programs and, as of June 30, ~~2023~~ ~~2022~~, unspent amounts may be redirected to fund new residency slots at existing programs if newly accredited primary care residency programs have not been established. Of the funds appropriated in the item, \$50,000,000 is available to fund new primary care residency programs. Of the funds appropriated in this item, up to \$333,000 is available for the State Loan Repayment Program.
4. Of the funds appropriated in this item, ~~\$7,850,000~~ ~~\$2,850,000~~ is available to support the Alzheimer's Health Care Workforce Programs.”

"4140-494—Reappropriation, Office of Statewide Health Planning and Development. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended as follows: ~~extended to June 30, 2022.~~
3085—Mental Health Services Fund

(1) Up to \$700,000 of Item 4140-001-3085, Budget Act of 2018; Is extended until June 30, 2022.

8034—Medically Underserved Account for Physicians, Health Professions Education Fund

(2) Item 4140-001-8034, Budget Act of 2018 is extended until June 30, 2022.

(3) Item 4140-001-8034, Budget Act of 2019 is extended until June 30, 2023."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4170-001-0001, Support, and Item 4170-101-0001, Local Assistance, and Addition of Item 4170-102-0001, Local Assistance, Department of Aging

Community-Based Adult Services Certification Workload (Issue 043)—It is requested that Item 4170-001-0001 be increased by \$773,000 and 4 permanent positions ongoing, and reimbursements be increased by \$1,122,000 and 6 permanent positions ongoing to support Community-Based Adult Services certification workload.

CalFresh Expansion Older Adult Outreach (Issue 044)—It is requested that Item 4170-001-0001 be increased by \$169,000 and 1.1 permanent positions ongoing, reimbursements be increased by \$131,000 and 0.9 positions ongoing, Item 4170-101-0001 be increased by \$961,000 ongoing, and reimbursements be increased by \$739,000 ongoing for continued support of CalFresh Expansion outreach efforts to older adults.

Older Adults Recovery and Resiliency (Issue 049)—It is requested that Item 4170-001-0001 be increased by \$1 million and Item 4170-102-0001 be added in the amount of \$100 million one-time to increase the service level of various aging programs as older adults come out of COVID isolation. It is also requested that provisional language be added to these items to conform to this action (see Attachments 1 and 2).

Remove Program Suspensions—It is requested that Provision 1 of Item 4170-001-0001 be amended (see Attachment 1) and Provision 3 of Item 4170-101-0001 be eliminated to remove program suspensions proposed in the Governor's Budget. Additionally, related statutory changes proposed in the Governor's Budget are requested to be withdrawn.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Tyler Woods, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Marko Mijic, Deputy Secretary, Health and Human Services Agency
Samar Muzaffar, Assistant Secretary, Health and Human Services Agency
Kim McCoy Wade, Director, Department of Aging
Mark Beckley, Chief Deputy Director, Department of Aging
Thomas Cameron, Deputy Director, Department of Aging
Nicole Dopp, Chief Financial Officer, Department of Aging

Amend Provision 1 of Item 4170-001-0001 as follows:

~~"1. (a) Of the funds appropriated in Schedule (3), \$750,000 of is to augment the Aging & Disability Resource Connection program. This augmentation shall be suspended on December 31, 2022, unless the condition in subdivision (b) applies.~~

~~(b) The suspensions pursuant to this provision shall not take effect if the estimates of General Fund revenues and expenditures for the 2022-23 and 2023-24 fiscal years, as determined pursuant to Section 12.5 of Article IV of the California Constitution that accompany the May Revision required to be released by May 14, 2022, pursuant to Section 13308 of the Government Code, contain estimated annual General Fund revenues that exceed estimated annual General Fund expenditures for the 2022-23 and 2023-24 fiscal years, by an amount equal to or greater than the sum total of all General Fund appropriations for all programs subject to suspension pursuant to this act and all bills providing for appropriations related to this act.~~

~~(c) It is the intent of the Legislature to consider alternative solutions to restore these payments if the suspensions take effect.~~

~~(d) Notwithstanding any other provision of law, the provisions of this item supersede any other provision of law suspending the augmentations described by this provision including, but not limited to, those under the 2019 Budget Act and the 2020 Budget Act and all enacted legislation providing for appropriations related to those acts.~~

(2) (a) Of the funds appropriated in this Item, \$1,000,000 shall be available to support implementation of Item 4170-102-0001.

(b) The California Department of Aging may enter into and amend service contracts, not to exceed \$100,000, with an academic institution to provide evaluation, facilitation, and research to support implementation of Item 4170-102-0001. Notwithstanding any other law, contracts entered into or amended pursuant to this provision shall be exempt from the Public Contract Code and shall be exempt from approval by the Department of General Services."

4170-102-0001—For local assistance, California Department of Aging ... 100,000,000

Schedule:

(1)	3890-Nutrition.....	20,700,000
(2)	3895-Senior Community Employment Service	17,000,000
(3)	3900-Supportive Services.....	62,300,000

Provisions:

1. The funds appropriated in this item are available for encumbrance or expenditure until June 30, 2024 to increase the service levels of aging programs including Senior Nutrition, Senior Legal Aid, Home Modifications and Fall Prevention, Behavioral Health Friendship Line, Senior Digital Assistance, Family Caregiver Support, Senior Employment Opportunities, Elder Abuse Prevention, and Aging and Disability Resource Connection.
2. Notwithstanding any other law, the California Department of Aging may allocate and grant funds appropriated in this item to Area Agencies on Aging, county and local governments, and local non-profit and community-based organizations based on local need and the capacity to provide expanded services.
3. Notwithstanding any other law, the California Department of Aging may vest title to any authorized equipment purchased for the Senior Digital Assistance program using funds appropriated in this Item to the local agency or organization administering the program.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Reimbursements, and Statutory Changes, Support and Local Assistance, Department of Health Care Services

State Operations

Office of Statewide Health Planning and Development (OSHPD) Recast and Modernization (Issue 251)—It is requested that Item 4260-001-0001 be decreased by \$690,000 and 4 positions, Item 4260-001-0890 be decreased by \$676,000, and Item 4260-111-0890 be decreased by \$498,000 ongoing to recast and modernize OSHPD, and shift various activities from the Department of Health Care Services to the new Department of Health Care Access and Information. See related issue in the OSHPD Finance Letter.

Behavioral Health Continuum Infrastructure Program (Issues 302 and 314)—It is requested that Item 4260-001-0001 be increased by \$12.5 million one-time, Item 4260-062-8506 be added in the amount of \$10 million one-time, Item 4260-101-0001 be decreased by \$62.5 million one-time, Item 4260-162-8506 be added in the amount of \$300 million one-time, and statutory changes be added to augment the Behavioral Health Continuum Infrastructure Program proposed in the Governor's Budget. It is also requested that provisional language be added to Items 4260-001-0001 and 4260-101-0001 (see Attachments 1 and 2). See related issue in the Capital Outlay Finance Letter.

California Advancing and Innovating Medi-Cal (CalAIM) Population Health Management Service (Issue 294 and 304)—It is requested that Item 4260-001-0001 be increased by \$1.5 million, Item 4260-001-0890 be increased by \$13.5 million, Item 4260-101-0001 be increased by \$30 million, and Item 4260-101-0890 be increased by \$270 million one-time to provide Medi-Cal population health management services utilizing administrative and clinical data as part of CalAIM efforts proposed in the

Governor's Budget. It is also requested that provisional language be added to Item 4260-101-0001 and Item 4260-101-0890 (see Attachments 5 and 6).

Local Assistance

Medi-Cal Estimate (Issues 237, 307, 310, 312, and 315)—It is requested that the adjustments below be made to the following items to reflect miscellaneous adjustments outlined in the Medi-Cal estimate.

- Item 4260-101-0001 be increased by \$642,395,000 and reimbursements be increased by \$146,251,000
- Item 4260-101-0232 be increased by \$20,692,000
- Item 4260-101-0233 be increased by \$5,759,000
- Item 4260-101-0236 be increased by \$16,693,000
- Item 4260-101-0890 be increased by \$2,840,960,000
- Item 4260-101-3168 be increased by \$905,000
- Item 4260-101-3305 be increased by \$240,691,000
- Item 4260-101-3375 be decreased by \$615,000
- Item 4260-102-0001 be decreased by \$7,433,000
- Item 4260-102-0890 be decreased by \$1,381,000
- Item 4260-103-3305 be decreased by \$4,896,000
- Item 4260-106-0890 be increased by \$5,556,000
- Item 4260-113-0001 be increased by \$47,326,000
- Item 4260-113-0890 be increased by \$96,858,000
- Item 4260-117-0001 be decreased by \$5,000
- Item 4260-117-0890 be decreased by \$59,000

Unfreeze Intermediate Care Facilities for the Developmentally Disabled Rates (Issue 289)—It is requested that Item 4260-101-0001 be increased by \$8,778,000 ongoing, Item 4260-101-0890 be increased by \$10,464,000 ongoing, and statutory changes be added to unfreeze rates for Intermediate Care Facilities for the Developmentally Disabled.

Unfreeze Free-Standing Pediatric Subacute Facility Rates (Issue 290)—It is requested that Item 4260-101-0001 be increased by \$2,328,000 ongoing, Item 4260-101-0890 be increased by \$2,873,000 ongoing, and statutory changes be added to unfreeze rates for Free-Standing Pediatric Subacute Facilities.

Medication Therapy Management Program (Issue 292)—It is requested that Item 4260-101-0001 be increased by \$4,181,000, Item 4260-101-0890 be increased by \$7,736,000, Item 4260-113-0001 be increased by \$237,000, Item 4260-113-0890 be increased by \$441,000 on an ongoing basis, and statutory changes be added, to implement a program for specialty pharmacy services in Medi-Cal.

Medi-Cal Drug Rebate Fund Reserve in Current Year (Issue 293)—In fiscal year 2020-21, expenditures in Item 4260-101-0001 are increasing by \$222 million one-time to maintain a reserve of the equivalent amount in the Medi-Cal Drug Rebate Fund. The reserve is intended to alleviate the General Fund impact related to drug rebate volatility.

COVID-19 Medi-Cal Caseload Impacts (Issue 296)—It is requested that Item 4260-101-0001 be decreased by \$1,715,828,000 one-time, Item 4260-101-0890 be decreased by \$2,162,073,000 one-time, Item 4260-113-0001 be decreased by \$92,673,000 one-time, and Item 4260-113-0890 be decreased by \$172,126,000 one-time to reflect COVID-19 impacts on Medi-Cal caseload. Compared to Governor's Budget, caseload is estimated to decrease by approximately 371,800 average monthly enrollees in 2020-21 and 1,107,400 average monthly enrollees in 2021-22. The change is primarily due to updated actuals and the assumption that only the continuous coverage requirement, and not labor market impacts, will drive COVID-19 caseload increases.

Doula Benefit (Issue 297)—It is requested that Item 4260-101-0001 be increased by \$147,000 ongoing, Item 4260-101-0890 be increased by \$242,000 ongoing, Item 4260-113-0001 be increased by \$5,000 ongoing, and Item 4260-113-0890 be increased by \$9,000 ongoing—growing annually thereafter—to cover doula services in the Medi-Cal program, effective January 1, 2022.

Community Health Workers (Issue 298)—It is requested that Item 4260-101-0001 be increased by \$6,154,000 ongoing and Item 4260-101-0890 be increased by \$10,169,000 ongoing—growing annually thereafter—to cover services provided by Community Health Workers in the Medi-Cal program, effective January 1, 2022.

Medically Tailored Meals Expansion (Issue 299)—It is requested that Item 4260-101-0001 be increased by \$9.3 million one-time, and statutory changes be added, to continue providing medically tailored meals, and to cover additional health conditions, until their availability through the CalAIM initiative.

Medi-Cal Providing Access and Transforming Health (PATH) (Issue 300)—It is requested that Item 4260-101-0001 be increased by \$100 million one-time and Item 4260-101-0890 be increased by \$100 million one-time, and statutory changes be added, to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services 30 days prior to release. It is also requested that provisional language be added to Items 4260-101-0001 and 4260-101-0890 (see Attachments 3 and 4).

Medi-Cal Eligibility Extension for Postpartum Individuals (Issue 303)—It is requested that Item 4260-101-0001 be increased by \$45,273,000, Item 4260-101-0890 be increased by \$45,273,000, and statutory changes be added to extend Medi-Cal eligibility from 60 days to 12 months for most postpartum individuals. This proposal aligns with the American Rescue Plan Act of 2021, which allows states to receive federal funding if they extend Medi-Cal eligibility from 60 days to 12 months for most postpartum individuals, effective April 1, 2022 for up to five years. Estimated costs to implement the extension between 2022-23 and 2027-28 are \$362.2 million (\$181.1 million General Fund) annually.

Expand Medi-Cal to Undocumented Older Adults 60+ (Issue 313)—It is requested that Item 4260-101-0001 be increased by \$49,569,000 ongoing, Item 4260-101-0890 be

increased by \$18,471,000 ongoing, and statutory changes be added to expand Medi-Cal coverage to undocumented adults aged 60 and older. See related issue in the Department of Social Services Finance Letter.

San Mateo Dental Integration Pilot Program—It is requested that Item 4260-101-0001 be increased by \$243,000, Item 4260-113-0001 be increased by \$38,000, Item 4260-101-0890 be increased by \$345,000, and Item 4260-113-0890 be increased by \$71,000 one-time to implement a dental integration pilot program in San Mateo County pursuant to Chapter 47, Statutes of 2017 (SB 849).

Restoration of Dental Fee For Service in Sacramento and Los Angeles Counties—It is requested that Item 4260-101-0001 be decreased by \$8,026,000, Item 4260-101-0890 be decreased by \$11,930,000 one-time, and statutory changes be added to eliminate dental managed care and restore dental fee for service in both Sacramento and Los Angeles counties.

Family Health Estimate (Issue 236)—It is requested that Item 4260-111-0001 be increased by \$7,108,000 ongoing, reimbursements be increased by \$77,000 ongoing, and Item 4260-114-0001 be decreased by \$2,582,000 ongoing. These changes reflect revised expenditures due to caseload and other miscellaneous adjustments outlined in the Family Health Estimate.

Proposition 56 Loan Repayment Program (Issue 286)—It is requested that Item 4260-112-3305 be increased by \$1,953,000 one-time to reflect additional funds available for the Proposition 56 Loan Repayment Program based on past-year and estimated current year expenditures.

Support for Public Hospitals and Health Systems (Issue 295)—It is requested that Item 4260-162-8506 be added in the amount of \$300 million one-time to support public hospitals and health care systems' unreimbursed costs associated with providing care to COVID-19 Medi-Cal FFS patients.

Children and Youth Behavioral Health Initiative (Issues 301 and 315)—It is requested that Item 4260-062-8506 be added in the amount of \$22 million one-time and 78 positions, Item 4260-162-8506 be added in the amount of \$228 million one-time, and statutory changes be added to provide resources to support children and youth behavioral health. See related issues in the California Health and Human Services Agency, OSHPD, and Department of Public Health Finance Letters.

Miscellaneous Baseline Adjustment: Behavioral Health Federal Funds Right-Sizing (Issues 283 and 284)—It is requested that Item 4260-115-0890 be increased by \$138,040,000 and Item 4260-116-0890 be increased by \$334,966,000 to reflect the projected federal funds to support mental health and substance use disorder services.

Language Only

Withdraw Program Suspensions—It is requested that Provision 2 of Item 4260-001-3305, Provision 17 of Item 4260-101-0001, Provision 4 of Item 4260-101-0890, and Provision 10 of Item 4260-101-3305 be eliminated to withdraw program suspensions proposed in the Governor's Budget. Additionally, related statutory changes are requested to withdraw suspensions in current law.

Health Information Exchange Extension of Funding—It is requested that provisional language be added to Item 4260-101-0001 extending the availability of any available General Fund in the California Health Information Exchange Onboarding Program (Cal-HOP) through the end of 2021-22 for interoperability or data exchange purposes (see Attachment 7).

CalAIM: Behavioral Health Quality Improvement Program—It is requested that Provisions 18 and 19 of 4260-101-0001 be amended to withdraw program description language and instead adopt statutory changes to implement the proposal as part of CalAIM (see Attachment 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Laura Ayala, Tyler Woods, or Iliana Ramos Principal Program Budget Analysts, at (916) 445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Marko Mijic, Deputy Secretary, Health and Human Services Agency
Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency
Will Lightbourne, Director, Department of Health Care Services
Jacey Cooper, Chief Deputy Director, Department of Health Care Services
Erika Sperbeck, Chief Deputy Director, Department of Health Care Services
Lori Walker, Deputy Director & Chief Financial Officer, Department of Health Care Services

Add the following provision to Item 4260-001-0001:

7. (a) Notwithstanding any other law, of the funds appropriated in Schedule (1) of this item, \$12,500,000 is available for encumbrance or expenditure until June 30, 2024, for the State Department of Health Care Services to implement the Behavioral Health Continuum Infrastructure Program pursuant to Chapter 1 (commencing with Section 5960) of Part 7 of Division 5 of the Welfare and Institutions Code.

Amend Provisions 18 and 19 of Item 4260-101-0001 as follows:

"18. ~~(a)~~ Notwithstanding any other law, of the funds appropriated in Schedule (3) of this item, \$21,750,000 shall be available for the State Department of Health Care Services to implement the California Advancing and Innovating Medi-Cal Behavioral Health Quality Improvement Program ~~to assist county Mental Health Plans and county Drug Medi-Cal programs prepare for implementation of the applicable behavioral health components of the California Advancing and Innovating Medi-Cal initiative.~~

~~(b) The State Department of Health Care Services shall determine the methodology and distribution of the funds appropriated in this provision to those county Mental Health Plans or county Drug Medi-Cal programs it deems qualified.~~

~~(c) This provision and the Behavioral Health Quality Improvement Program shall be implemented only if, and to the extent that, the State Department of Health Care Services determines that associated federal financial participation under the Medi-Cal program is not jeopardized.~~

~~(d) Notwithstanding Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Service may implement, interpret, or make specific this provision, in whole or in part, by means of information notices or other similar instructions, without taking any further regulatory action.~~

~~(e) For purposes of implementing this provision, the State Department of Health Care Services may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this provision shall be exempt from Chapter 6 (commencing with section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services.~~

19. (a) Notwithstanding any other law, of the funds appropriated in Schedule (3) of this item, ~~\$743,499,000~~ \$680,999,000 is available for encumbrance or expenditure until June 30, 2026 for the State Department of Health Care Services to implement the Behavioral Health Continuum Infrastructure Program ~~to provide competitive grants to qualified counties and tribal entities to acquire and rehabilitate facilities to expand the community continuum of behavioral health treatment resources.~~ pursuant to Chapter 1 (commencing with Section 5960) of Part 7 of Division 5 of the Welfare and Institutions Code.

(b) Of the \$680,999,000, at minimum \$237,500,000 shall be to construct, acquire, and rehabilitate real estate assets to expand mental health diversion programs and competency restoration treatment for individuals with a serious mental illness who are deemed Incompetent to Stand Trial.

~~(b) As a condition of receiving grant funds pursuant to this provision, an awardee county or tribal entity shall provide matching funds or real property with a value equal to or greater than twenty five percent of the total award. Funds awarded pursuant to~~

~~this provision shall be used to supplement and not supplant existing county and tribal funds to acquire and rehabilitate facilities as provided for in the Behavioral Health Continuum Infrastructure Program.~~

~~(c) The State Department of Health Care Services shall determine the methodology and distribution of the funds appropriated in this provision to those counties and tribal entities it deems qualified.~~

~~(d) This provision shall be implemented only if and to the extent that the State Department of Health Care Services determines that associated federal financial participation under the Medi-Cal program is not jeopardized.~~

~~(e) Notwithstanding Chapter 3.5 (commencing with section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement, interpret, or make specific this provision, in whole or in part, by means of information notices or other similar instructions, without taking any further regulatory action.~~

~~(f) For purposes of implementing this provision, the State Department of Health Care Services may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this provision shall be exempt from Chapter 6 (commencing with section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services.~~

~~(g) For purposes of this provision, "tribal entity" shall mean a federally recognized Indian tribe, tribal organization, or urban Indian organization, as defined in Section 1603 of Title 25 of the United States Code."~~

Add the following provision to Item 4260-101-0001:

20. Of the funds appropriated in Schedule (3) of this item, \$100,000,000 is available for the State Department of Health Care Services for justice-involved initiatives within the Medi-Cal Providing Access and Transforming Health (PATH) supports. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

Add the following provision to Item 4260-101-0890:

5. Of the funds appropriated in Schedule (3) of this item, \$100,000,000 is available for the State Department of Health Care Services for justice-involved initiatives within the Medi-Cal Providing Access and Transforming Health (PATH) supports. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

Add the following provision to Item 4260-101-0001:

21. Of the funds appropriated in Schedule (1) of this item, \$30,000,000 is available for the State Department of Health Care Services to implement the Population Health Management service. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

Add the following provision to Item 4260-101-0890:

6. Of the funds appropriated in schedule (1) of this item, \$270,000,000 is available for the State Department of Health Care Services to implement the Population Health Management service. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

Add the following provision to Item 4260-101-0001:

22. Of the funds appropriated in schedule (1) of this item, up to \$4,600,000 is available to the State Department of Health Care Services for encumbrance or expenditure until June 30, 2022 for interoperability or data exchange purposes.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support and Local Assistance, and Statutory Changes, Department of Public Health

Department of Public Health: AIDS Drug Assistance Program Estimate—It is requested that funding for Health and Safety Code section 120956 be decreased by \$13,927,000 ongoing to reflect a projected decrease in medication expenditures, insurance premium expenditures, and medical out-of-pocket costs.

Department of Public Health: Genetic Disease Screening Program Estimate—It is requested that Item 4265-111-0203 be decreased by \$230,000 ongoing to reflect adjusted expenditure estimates.

Department of Public Health: Women, Infant, and Children Program Estimate—It is requested that Item 4265-111-0890 be increased by \$52,946,000 ongoing and Item 4265-111-3023 be increased by \$15,497,000 ongoing to reflect adjusted expenditure estimates.

Department of Public Health: Proposition 99 Expenditure Adjustments—It is requested that the following items be amended to reflect changes in the cigarette tax revenue estimates:

- Item 4265-001-0231 be increased by \$16,231,000 ongoing
- Item 4265-001-0234 be increased by \$767,000 ongoing
- Item 4265-001-0236 be increased by \$651,000 ongoing
- Item 4265-111-0231 be increased by \$1,833,000 ongoing

Department of Public Health: Adjustment to Reflect Available Resources in the Breast Cancer Research Fund—It is requested that Item 4265-001-0007 be increased by \$1,234,000 one-time to reflect changes in cigarette tax revenue estimates.

Department of Public Health: Adjustment to Reflect Available Resources in Vectorborne Disease Account—It is requested that Item 4265-001-0478 be decreased by \$60,000 ongoing to reflect available resources in 2021-22.

Department of Public Health: Adjustment to Reflect Available Resources in Medical Marijuana Program Fund—It is requested that Item 4265-001-3074 be decreased by \$15,000 ongoing to reflect available resources in 2021-22.

Department of Public Health: Adjustment to Reflect Available Resources in Registered Environmental Health Specialist Fund—It is requested that Item 4265-001-0335 be decreased by \$70,000 ongoing to reflect available resources in 2021-22.

Department of Public Health: Adjustment to Reflect Available Resources in Occupational Lead Poisoning Prevention Account—It is requested that Item 4265-001-0070 be increased by \$41,000 ongoing to reflect available resources in 2021-22.

Department of Public Health: Adjustment to Reflect Redistributed Resources—It is requested that Schedule (1) of Item 4265-001-3098 be decreased by \$138,000 ongoing and Schedule (2) of Item 4265-001-3098 be increased by \$138,000 ongoing to reflect the correct distribution and use of resources.

Department of Public Health: Resources for COVID-19 Pandemic Response External Challenges—It is requested that Item 4265-001-0001 be increased by \$6 million one-time to support costs incurred from legal challenges to the state's COVID-19 pandemic response. It is also requested that provisional language be added to allow the Department of Public Health to use this appropriation for this specific purpose (see Attachment 1).

Department of Public Health: Support for Alzheimer's Disease Awareness, Research, and Training—It is requested that Item 4265-001-0001 be increased by \$5,375,000 one-time and Item 4265-111-0001 be increased by \$2,125,000 to supplement the Governor's Budget proposal activities in public awareness and promulgating standards of care.

Department of Public Health: Pandemic Response Review—It is requested that Item 4265-001-0001 be increased by \$3 million one-time to support a review of the state's pandemic response from an emergency response perspective.

Department of Public Health: Children and Youth Behavioral Health Initiative: Public Education and Change Campaign—It is requested that Item 4265-062-8506 be added in the amount of \$5 million and 10 positions to implement the California Youth Behavioral Health Initiative (see related issue in the Department of Health Care Services Finance Letter).

Department of Public Health: Expansion of Pre-Exposure Prophylaxis (PrEP) Assistance Program (PrEP-AP)—It is requested that statutory changes be added to amend Health and Safety Code section 120972, subdivision (a)(4), to allow PrEP-AP to pay for specified ancillary services for a person dispensed or furnished PrEP and post-exposure

prophylaxis medication pursuant to Business and Professions Code sections 4052-4052.03 (see Attachment 2).

Department of Public Health: Rescind Rhesus Isoimmunization Hemolytic Disease (Rh-HDN) Disease Reporting Requirement—It is requested that Health and Safety Code section 125075 be eliminated to allow hospitals and physicians attending newborn infants not be required to report each occurrence of the disease Rh-HDN due to its extremely low morbidity and mortality rate. This would allow providers to focus on treatment and prevention of higher priority disease and conditions in newborns.

Department of Public Health: Exemption from Public Contract Code (PCC) for Lesbian, Bisexual, Transgender and Queer (LBTQ) Women's Health Equity Initiative—It is requested that statutory changes be added to provide a PCC exemption for the LBTQ Women's Health Equity Initiative, which was included by the Legislature in the 2019 Budget Act, to allow smaller community-based organizations to successfully compete for grants and contracts (see Attachment 3).

Department of Public Health: Emergency Item Reimbursement—It is requested that provisional language be added to build reimbursement authority in Item 4265-001-0001 for the Department's Emergency Preparedness Office to take in Federal Emergency Management Agency monies related to wildfires (see Attachment 1).

Department of Public Health: Adjustment to Reflect Substance Use Disorder Response Navigators Technical Adjustment—It is requested that provisional language be added to allow the Department of Public Health to transfer \$1.8 million from Item 4265-001-0001 to Item 4265-111-0001 in 2020-21 to bolster local harm reduction resources (see Attachment 1).

Department of Public Health: Epidemiology and Laboratory Capacity Grants—It is requested that provisional language be added to Item 4265-001-0001 to allow the Department of Public Health to accept federal grants for epidemiology and laboratory capacity and to transfer funds to Item 4265-111-0001 (see Attachment 1).

Department of Public Health: American Rescue Plan Grants—It is requested that provisional language be added to Items 4265-001-0890 and 4265-111-0890 to allow the Department of Public Health to accept federal grants from the American Rescue Plan Act (see Attachments 4 and 5).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jack Zwald, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Mark Ghaly, Secretary, California Health and Human Services Agency
Michelle Baass, Undersecretary, California Health and Human Services Agency
Marko Mijic, Deputy Secretary of Program and Fiscal Affairs, California Health and Human
Services Agency
Julie Souliere, Assistant Secretary, California Health and Human Services Agency
Tomás J. Aragón, State Public Health Officer, Director of California Department of Public
Health
Brandon Nunes, Chief Deputy Director of Operations, California Department of Public
Health
Susan Fanelli, Chief Deputy Director of Policy and Programs, California Department of
Public Health

Add the following provisions to Item 4265-001-0001:

8. Notwithstanding any other law, and upon approval of the Director of Finance, of the amount appropriated in Schedule (2), up to \$6,000,000 shall be available to support legal costs relating to the state's COVID-19 pandemic response. The Department of Finance shall notify the Legislature within 10 days of authorizing an augmentation pursuant to this provision. The 10-day notification to the Legislature shall describe the reason for the augmentation.
9. Notwithstanding any other law, and upon approval of the Director Finance, the amount appropriated in Schedule (1) shall be increased to adjust for federal reimbursement from FEMA for wildfires and related emergencies. The Department of Finance shall notify the Legislature within 10 days of authorizing an augmentation pursuant to this provision. The 10-day notification to the Legislature shall describe the reason for the augmentation.
10. Notwithstanding any other law, the Department of Public Health may authorize the transfer of expenditure authority from this item to Item 4265-111-0001 to support Substance Use Disorder Response Navigator-related activities by the State Department of Public Health.
11. The Department of Finance may augment this item to reflect \$508,927,000 in an Epidemiology and Laboratory Capacity grant award from the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (P.L. 116-260). Augmentations pursuant to this provision shall not be approved sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.

“120972. (a) To the extent that funds are available for these purposes, the director may establish and administer a program within the department's Office of AIDS to subsidize certain costs of medications for the prevention of HIV infection and other related medical services, as authorized by this section, to persons who meet all of the following requirements:

(1) Are residents of California who are at least 18 years of age, or who may consent to medical care related to the prevention of a sexually transmitted disease consistent with Section 6926 of the Family Code.

(2) Are HIV negative.

(3) Meet the financial eligibility requirements identified in Section 120960.

Unemancipated minors between 12 and 17 years of age shall be considered a family size of one for purposes of determining financial eligibility for this program.

(a)(4) Have been prescribed, dispensed, or otherwise furnished medication listed on the AIDS Drug Assistance Program (ADAP) formulary as provided in paragraph (2) of subdivision (a) of Section 120955.

(b) To the extent allowable under federal law, and upon available funds, the director may expend funding for this program from the AIDS Drug Assistance Program Rebate Fund as implemented pursuant to Section 120956.

(c) To the extent that funding is made available for this purpose, the program may subsidize all of the following costs of medication for the prevention of HIV infection and related medical services for eligible individuals:

(1) For uninsured individuals, the costs for both of the following:

(A) HIV pre-exposure prophylaxis (PrEP)-related and post-exposure prophylaxis (PEP)-related medical services for individuals who are enrolled, if eligible, in a drug manufacturer's medication assistance program.

(B) Medication for the prevention of HIV infection for individuals who are ineligible for a drug manufacturer's medication assistance program.

(2) For insured individuals, the costs for all of the following:

(A) Medication copays, coinsurance, and deductibles for the prevention of HIV infection after the individual's insurance is applied and, if eligible, after the drug manufacturer's medication assistance program's contributions are applied. Use of the drug manufacturer's medication assistance program is not required if it is not accepted by the health plan or pharmacy contracted with the health plan.

(B) Medical copays, coinsurance, and deductibles for PrEP-related and PEP-related medical services.

(C) Subsidizing premiums to purchase or maintain health insurance coverage for individuals using PrEP if the director makes a determination that it is feasible and would result in cost savings to the state.

(d) For the purposes of this program, an insured individual on a parent's or partner's health plan shall be considered uninsured if he or she is unable to use his or her health insurance coverage for confidentiality or safety reasons.

(e) Notwithstanding the eligibility requirements in subdivision (a), the program may subsidize all of the following costs of medication for the prevention of HIV infection:

(1) Up to 14 days of PrEP and PEP medications.

(2) Up to 28 days of PEP medications for a victim of sexual assault.

(f) If the director makes a formal determination that, in any fiscal year, funds appropriated for the program will be insufficient to provide medications for the prevention of HIV infection or related medical costs to existing eligible persons for the fiscal year and that a suspension of the implementation of the program is necessary, the director may suspend either of the following:

(1) The program.

(2) The eligibility determinations and enrollment in the program for the period of time necessary to meet the needs of existing eligible persons in the program.

(g) Reimbursement under the program shall not be made for any drugs or related services that are available to the recipient under any other private, state, or federal programs, or under any other contractual or legal entitlements, except as specified in this section. The director may authorize an exemption from this subdivision if it would result in cost savings to the state.

(h) If the department utilizes a contractor or subcontractor to administer any aspect of the program, the provisions of Section 120970, except subdivision (i) of that section, shall apply.

(i) All types of information, whether written or oral, concerning a client, made or maintained in connection with the administration of this program, shall be confidential, and shall not be used or disclosed except for any of the following:

(1) For purposes directly connected with the administration of the program.

(2) If disclosure is otherwise authorized by law.

(3) Pursuant to a written authorization by the person who is the subject of the record or, if the person is 18 years of age or older, by his or her guardian or conservator.

(j) For purposes of verifying financial eligibility for the program, the department shall verify the accuracy of the modified adjusted gross income reported by an applicant or recipient of the program, with data, if available, from the Franchise Tax Board. The Franchise Tax Board and the department are authorized to disclose personally identifiable data to one another, solely for this purpose, and in accordance with the data exchange process identified in Section 120962.

(k) Regulations adopted pursuant to subdivision (c), (d), or (e), are exempt from rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code)."

Department of Public Health: Exemption from Public Contract Code (PCC) for Lesbian, Bisexual, Transgender and Queer (LBTQ) Women's Health Equity Initiative

Add to 2019 Budget Act:

An act to amend Items 4265-001-0001 and 4265-111-0001 of Section 2.00 of Chapter 23 of the Statutes of 2019, relating to Lesbian, Bisexual, Transgender and Queer (LBTQ) Women's Health Equity Initiative.

Amend Provision 4 of Item 4265-001-0001 of Section 2.00:

"4. (a) Of the funds appropriated in Schedule (2), \$2,965,000 shall be available for encumbrance or expenditure until June 30, 2024, for the State Department of Public Health to support activities that address lesbian, bisexual, and queer women's health disparities.

(b) Contracts entered into or amended pursuant to this provision are exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, the State Administrative Manual, and the State Contracting Manual, and are exempt from the review or approval of any division of the Department of General Services."

Amend provision 4 of Item 4265-111-0001 of Section 2.00:

"4. (a) Of the funds appropriated in Schedule (2), up to \$14,535,000 shall be available for encumbrance or expenditure until June 30, 2024, for activities that address lesbian, bisexual, and queer women's health disparities.

(b) Contracts entered into or amended pursuant to this provision are exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, the State Administrative Manual, and the State Contracting Manual, and are exempt from the review or approval of any division of the Department of General Services."

Add the following provisions to Item 4265-001-0890:

4. The Department of Finance may augment this item by up to \$68,400,000 to support genomic sequencing and surveillance allocated from the American Rescue Plan Act (ARPA) of 2021 (P.L. 117-7). The Department of Finance may adjust this amount if actual grant awards differ from public information available at the time of the development of the May Revision. The Department of Finance may adjust any item within the Department of Public Health budget to reflect additional grant awards for this purpose provided to the state under ARPA. Augmentations pursuant to this provision shall not be approved sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.
5. The Department of Finance may augment this item by up to \$887,716,000 to support COVID-19 testing in schools allocated from the American Rescue Plan Act (ARPA) of 2021 (P.L. 117-7). The Department of Finance may adjust this amount if actual grant awards differ from public information available at the time of the development of the May Revision. The Department of Finance may adjust any item in Section 2.00 to reflect additional grant awards for this purpose provided to the state under ARPA. Augmentations pursuant to this provision shall not be approved sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.
6. The Department of Finance may augment this item by up to \$357,027,000 to support COVID-19 vaccine distribution and monitoring allocated from the American Rescue Plan Act (ARPA) of 2021 (P.L. 117-7). The Department of Finance may adjust this amount if actual grant awards differ from public information available at the time of the development of the May Revision. The Department of Finance may adjust any item in Section 2.00 to reflect additional grant awards for this purpose provided to the state under ARPA. Augmentations pursuant to this provision shall not be approved sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.
7. The Department of Finance may augment this item to reflect grant awards from the American Rescue Plan Act of 2021 (P.L. 117-7) for which the state is eligible.

Augmentations pursuant to this provision shall not be approved sooner than 10 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.

Add the following provision to Item 4265-111-0890:

4. The Department of Finance may augment this item to reflect grant awards from the American Rescue Plan Act of 2021 (P.L. 117-7) for which the state is eligible. Augmentations pursuant to this provision shall not be approved sooner than 30 days after notification in writing is provided to the chairpersons of the committees in each house of the Legislature that consider appropriations and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the chairperson of the joint committee, or the chairperson's designee, may in each instance determine.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendments to Various Budget Bill Items and Reimbursements, Support and Local Assistance, Department of Developmental Services

Regional Centers—Early Start Outreach to Tribal Communities (Issue 054)—It is requested that Item 4300-101-0001 be increased by \$500,000 ongoing to conduct outreach to tribal communities to improve awareness of early intervention programs, including Early Start.

Regional Centers—Self-Determination Supports (Issue 055)—It is requested that Item 4300-101-0001 be increased by \$10.3 million and reimbursements be increased by \$3.5 million to improve consumer onboarding into the Self-Determination Program, to include: participant choice specialists, intensive transition support services, and regional center training. Beginning in fiscal year 2024-25, ongoing costs decrease to \$3.1 million.

Regional Centers—Enhanced Caseload Ratios for Consumers with Low to No Purchase of Services (Issue 056)—It is requested that Item 4300-101-0001 be increased by \$12.8 million ongoing and reimbursements be increased by \$2.8 million ongoing to enhance case management for consumers with low or no purchase of services, improving access to and utilization of needed supports.

Regional Centers—Direct Service Professional Workforce Training and Development (Issue 057)—It is requested that Item 4300-101-0001 be increased by \$4.3 million ongoing and reimbursements be increased by \$1.4 million ongoing to implement a tiered training and certification program for direct service professionals tied to wage differentials. Funding increases to \$51 million in 2023-24 and annually thereafter.

Regional Centers—Implicit Bias Training (Issue 058)—It is requested that Item 4300-101-0001 be increased by \$700,000 ongoing and reimbursements be increased by \$147,000 ongoing to support implicit bias training for regional center personnel and contractors involved in Lanterman Act eligibility determinations.

Regional Centers–Emergency Preparedness Resources (Issue 059)—It is requested that Item 4300-101-0001 be increased by \$4.3 million provide one-time resources to update emergency preparedness materials and to distribute batteries, generators, and emergency go-bags to consumers living independently. Additionally, the request includes \$200,000 ongoing to support regional center emergency preparedness training and community outreach.

Regional Centers–Lanterman Act Provisional Eligibility (Issue 060)—It is requested that Item 4300-101-0001 be increased by \$23.8 million ongoing to provide provisional Lanterman service eligibility to children between the ages of three and five who meet specified criteria.

Regional Centers–Bilingual Staff Differential (Issue 061)—It is requested that Item 4300-101-0001 be increased by \$3.6 million ongoing and reimbursements be increased by \$1.4 million ongoing to create a differential for bilingual service provider staff.

Elimination of the Supplemental Provider Rate Increase Suspension and Uniform Holiday Schedule (Issues 064 and 065)—It is requested that Item 4300-101-0001 be amended by eliminating Provision 9 to reflect the elimination of program funding suspensions proposed in the Governor's Budget.

Disability Employment Grant (Issue 070)—It is requested that Item 4300-101-0001 be increased by \$14,706,000 one-time and reimbursements be increased by \$4,706,000 one-time to create a grant program to incentivize private entities to develop internship programs for individuals with physical and intellectual or developmental disabilities. It is also requested that provisional language be added to extend the encumbrance period (see Attachment 1). See related issue in the Department of Rehabilitation Finance Letter.

Regional Centers–Systemic, Therapeutic, Assessment, Resources, and Treatment Teams (Issue 071)—It is requested that Item 4300-101-0001 be increased by \$12,067,000 ongoing and reimbursements be increased by \$4,067,000 ongoing to support training for regional center-based mobile acute crisis teams and associated purchase of service costs. Funding increases to \$17,460,000 in 2022-23 and annually thereafter.

MR Infrastructure Package–One-Time Deferred Maintenance (Issue 072)—It is requested that Item 4300-001-0001 be increased by \$5 million one-time to support deferred maintenance projects at the state-operated Porterville Developmental Center and Fairview Developmental Center. It is also requested that provisional language be added to extend the encumbrance and expenditure period (see Attachment 2).

Performance Incentives Program (Issue 074)—It is requested that Item 4300-001-0001 be increased by \$1,875,000 ongoing and reimbursements be increased by \$375,000 ongoing. It is also requested that Item 4300-101-0001 be increased by \$3,676,000 ongoing and reimbursements be increased by \$1,176,000 ongoing to support the implementation of a regional center performance incentives program. Funding increases to \$61 million General Fund in 2022-23 and annually thereafter.

Regional Centers–Caseload and Utilization (Issues 047 and 049)—It is requested that Item 4300-101-0001 be increased by \$111,356,000 ongoing and reimbursements be increased by \$68,885,000 ongoing. It is also requested that Item 4300-101-0172 be decreased by \$1,672,000 ongoing and Item 4300-101-0890 be decreased by \$4,000 ongoing. These adjustments reflect updated expenditures in operations and caseload and utilization driven purchase of services.

2018 Deferred Maintenance-Reappropriation (Issue 066-BBA)—It is requested that Item 4300-001-0001 be increased by \$2,705,000 to extend deferred maintenance funding appropriated in the 2018 Budget Act. It is also requested the Item 4300-490 be amended to reappropriate the funding and extend the encumbrance period to June 30, 2022 (see Attachment 3).

American Rescue Plan Act: Supplemental Individuals with Disabilities Education Act Funding (Issue 076-BBA)—It is requested that Item 4300-101-0890 be increased by \$24,462,000 to reflect increased funding provided by the federal American Rescue Plan Act of 2021. It is also requested that provisional language be added to authorize interschedule transfers between programs (see Attachment 4).

Language Only—It is requested that provisional language in Item 4300-101-0001 be amended to correct the date for provider compliance with Home and Community-Based Services regulations from March 17, 2022 to March 17, 2023 (see Attachment 5).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Steven Pavlov, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc:

Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Michelle Baass, Undersecretary, California Health and Human Services Agency
Marko Mijic, Deputy Secretary of Program and Fiscal Affairs, California Health and Human
Services Agency
Vishaal Pegany, Assistant Secretary, California Health and Human Services Agency
Nancy Bargmann, Director, Department of Developmental Services
Carla Castañeda, Chief Deputy Director, Department of Developmental Services
Brian Winfield, Chief Deputy Director, Department of Developmental Services
Jim Knight, Deputy Director, Department of Developmental Services

Add the following provision to Item 4300-101-0001:

10. Of the funds appropriated in Schedule (1), \$14,706,000 is appropriated to the State Department of Developmental Services to improve the employment rate of individuals with disabilities and shall be available for encumbrance or expenditure until June 30, 2024

Add the following provision to Item 4300-001-0001:

8. Of the funds appropriated in Schedule (1), \$5,000,000 shall be expended to address deferred maintenance projects that represent critical infrastructure deficiencies. The amount allocated shall be available for encumbrance or expenditure until June 30, 2024.

"4300-490—Reappropriation, State Department of Developmental Services. ~~The amount specified~~ The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure ~~until June 30, 2023~~ as specified:

0001—General Fund

- (1) \$1,000,000 in Item 4300-003-0001, Budget Act of 2016, for purposes of providing a retention stipend for existing employees on staff for the warm shutdowns of developmental centers shall be available for encumbrance or expenditure until June 30, 2023.
- (2) \$2,705,000 in Item 4300-001-0001, Budget Act of 2018, for purposes of deferred maintenance shall be available for encumbrance or expenditure until June 30, 2022."

Add the following provision to Item 4300-101-0890:

3. Of the funds appropriated in Schedule (3), \$24,462,000 are one-time funds to supplement existing Individuals with Disabilities Education Act funding. Notwithstanding Section 26.00, the Department of Finance may authorize transfer of this expenditure authority between Programs 4140019-Purchase of Services and 4140027-Early Intervention Program in order to more accurately reflect expenditures in the Early Intervention Program (Part C of the Individuals with Disabilities Education Act).

Amend Provision 8 of Item 4300-101-0001 as follows:

"8. Of the funds appropriated in Schedule (2), \$15,000,000 is appropriated for the State Department of Developmental Services to allocate to providers based on demonstrated need to comply with the new Home and Community-Based Services regulations requirements that must be implemented by March 17, ~~2022~~2023. The funds will be allocated based upon application to the regional center and approval of both the regional center and the department. Regional centers shall report annually to the department the number of providers receiving these funds."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4300-301-0001, Capital Outlay, Department of Developmental Services

Porterville Developmental Center—Install Fire Sprinkler System—It is requested that Item 4300-301-0001 be increased by \$3,905,000 one-time for the construction phase of the Porterville Developmental Center Install Fire Sprinkler System project for a total budget year request of \$4,126,000. The additional funds for construction will allow the Department of Developmental Services to proceed to bid for the construction phase in accordance with the current project schedule.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Barbara Taylor, Principal Program Budget Analyst, at (916)445-9694.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Nancy Bargmann, Director, Department of Developmental Services
Carla Castaneda, Chief Deputy Director of Operations, Department of Developmental
Services
Jim Knight, Deputy Director, Department of Developmental Services
Betty Lai, Fiscal Forecasting Branch Manager, Department of Developmental Services



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Items 4440-011-0001, 4440-017-0001, 4440-490, and Reimbursements, Support, and Statutory Changes, Department of State Hospitals

COVID-19 Worker's Compensation Claims (SB 1129) (Issue 074)—It is requested that Item 4440-011-0001 be increased by \$16,489,000 with resources equivalent to 7 limited-term positions for payment and processing of worker's compensation claims resulting from illness or injury sustained by state hospitals' employees who contract COVID-19 while performing essential work duties at a state hospital facility. Funding for worker's compensation claims is included annually until fiscal year 2024-25. It is also requested that provisional language be added to this item for additional worker's compensation expenditures, if necessary, and to revert unspent funds at the close of the fiscal year (see Attachment 1).

Statewide Integrated Healthcare Provider Network (Issue 108)—It is requested that Item 4440-011-0001 be increased by \$6,346,000 with resources equivalent to 6 limited-term positions to contract for a healthcare provider network, including prior authorization and third-party administration services. Funding decreases to \$2,246,000 in 2022-23 and 2023-24.

Community Care Demonstration Project (Issue 113)—It is requested that Item 4440-011-0001 be decreased by \$233,187,000 and 4 positions to reflect the withdrawal of the Governor' Budget Community Care Demonstration Project proposal. Ongoing funding of \$136,437,000 annually and associated provisional language and statutory changes are also withdrawn.

MR Infrastructure Package—One-Time Deferred Maintenance (Issue 114)—It is requested that Item 4440-011-0001 be increased by \$85 million one-time to fund 8 critical deferred maintenance projects across the five state hospital facilities. It is also requested that provisional language be added to extend the encumbrance and expenditure period to June 30, 2025 (see Attachment 2).

Metropolitan State Hospital Increased Secure Bed Capacity (Issue 075)—It is requested that Item 4440-011-0001 be increased by \$17,000 and be decreased by 1.2 positions in 2021-22 and annually thereafter to correct a position funding calculation that was not made ongoing in the 2020 Budget Act.

Conditional Release Program Sexually Violent Predator Caseload Update (Issue 077)—It is requested that Item 4440-011-0001 be increased by \$1,845,000 in 2021-22 and annually thereafter to reflect the Department of State Hospital's updated caseload for the Sexually Violent Predator Conditional Release Program.

Conditional Release Program Continuum of Care (Issue 078)—It is requested that Item 4440-011-0001 be decreased by \$2,738,000 in 2021-22 and annually thereafter due to delays in construction and contract negotiations.

Conditional Release Program Mobile Forensic Assertive Community Treatment Team (Issue 079)—It is requested that Item 4440-011-0001 be increased by \$4,090,000 to contract for an additional 80 Conditional Release Program beds with the Mobile Forensic Assertive Community Treatment Team model. Funding increases to \$6,465,000 in 2024-25 and annually thereafter.

Jail Based Competency Treatment Program (Issues 080 and 081)—It is requested that Item 4440-011-0001 be increased by \$13,293,000 and 7 positions to reflect updated assumptions regarding the timing of contract execution and program activation for existing counties, and reflect the expansion of Jail Based Competency Treatment Programs into 11 new counties. Funding increases to \$22,477,000 in 2022-23 and annually thereafter.

Community-Based Restoration Program (Issue 082)—It is requested that Item 4440-011-0001 be increased by \$28,330,000 and 4.5 positions to expand the current Los Angeles County Community-Based Restoration program and establish new programs in 17 additional counties. Funding increases to \$49,755,000 in 2024-25 and annually thereafter. It is also requested that provisional language be added to expedite any contracts necessary to establish the new programs (see Attachment 3).

Mission Based Review: Protective Services (Issue 083)—It is requested that Item 4440-011-0001 be increased by \$6,534,000 and 35.8 positions to restore resources to implement a standardized staffing model for Protective Services at Napa State Hospital and Outside Custody functions at all five hospitals. Funding increases to \$11,846,000 and 82.1 positions in 2024-25 and annually thereafter.

Mission Based Review: Direct Care Nursing (Issue 084)—It is requested that Item 4440-011-0001 be increased by \$434,000 in 2021-22 and annually thereafter to address updated bargaining unit contract negotiations and pay differentials for previously approved, unestablished positions phased-in over several years.

Mission Based Review: Treatment Team (Issue 085)—It is requested that Item 4440-011-0001 be increased by \$22,778,000 and 44.3 positions to align resources with the staffing study methodology for standardize clinician-to-patient ratios. Funding increases to \$54,091,000 and 213.3 positions in 2025-26 and annually thereafter.

Mission Based Review: Workforce Development (Issue 088)—It is requested that Item 4440-011-0001 be decreased by \$40,000 in 2021-22 and annually thereafter to reclassify 1 position to perform enhanced recruitment and outreach efforts.

Enhanced Treatment Program (Issue 090)—It is requested that Item 4440-011-0001 be increased by \$329,000 and decreased by 8.2 positions in 2021-22 to address updated bargaining unit contract negotiations and pay differentials for previously approved, unestablished positions phased-in over several years. Funding increases to \$1,015,000 in 2022-23 and annually thereafter.

Mission Based Review: Court Evaluations and Reports (Issue 091)—It is requested that Item 4440-011-0001 be increased by \$222,000 in 2021-22 and annually thereafter to address updated bargaining unit contract negotiations and pay differentials for previously approved, unestablished positions phased-in over several years.

Discontinue Lanterman-Petris-Short Patient Contracts with Counties (Issues 093 and 094)—It is requested that Item 4440-011-0001 be increased by \$16,602,000 and reimbursements be decreased by \$24,704,000, and Item 4440-017-0001 be increased by \$480,000 to discontinue the state hospitals as a treatment option for Lanterman-Petris-Short (LPS) patients over three years, provide treatment for these patients at the county level only, and utilize the state hospital beds for Incompetent to Stand Trial (IST) treatment. The Department will repurpose bed capacity currently used for LPS patients for IST patients. Funds increase to \$145,526,000 General Fund in 2024-25 and annually thereafter. This funding includes resources equivalent to 3 limited-term positions to manage the implementation. It is also requested that that provisional language be added to authorize the Department of Finance to approve expenditures in excess of the appropriation caused by unanticipated changes in patient caseload, with notification to the Legislature (see Attachment 4).

Re-Evaluation Services for Felony Incompetent to Stand Trial Patients (Issue 104)—It is requested that Item 4440-011-0001 be increased by \$12,729,000 and 15.5 positions to partner with local county jails to re-evaluate individuals deemed Incompetent to Stand Trial on a felony charge who have waited in jail 60 days or more pending placement to a state hospital treatment program. Funding decreases to \$9,176,000 in 2023-24 and annually thereafter.

Non-Restorable Felony Incompetent to Stand Trial Patient Statutory Changes—The Administration proposes statutory changes to require felony Incompetent to Stand Trial patients deemed not restorable to mental competency to be returned to the county within 10 days and remain in the county, otherwise the Department will charge the county a daily bed rate, and corresponding statutory changes to allow the Department to collect a daily bed rate.

Felony Mental Health Diversion Program Expansion—The Administration proposes statutory changes that authorize the Department to require counties expanding a current state-funded Diversion program to exclusively divert Incompetent to Stand Trial patient defendants. The proposed changes will also eliminate the county match requirement for expanding programs if a county has already met its maximum match requirement under the original program contract. The Governor's Budget included \$47,584,000 one-time General Fund to expand the Mental Health Diversion Program to 33 additional counties.

Technical Adjustment (Issues 099 and 100)—It is requested that Items 4440-011-0001 and reimbursements, and 4440-017-0001 be amended to reflect a net-zero funding shift between subprograms to accurately display expenditures.

Felony Mental Health Diversion Program Reappropriation (Issue 109 and 097)—It is requested that Item 4440-011-0001 be increased by \$6.6 million to reflect the carryover and reappropriation of the unencumbered balance of the Diversion Program funding until June 30, 2022. It is also requested that Item 4440-490 be amended to reflect the reappropriation (see Attachment 5).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Steven Pavlov, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Michelle Baass, Undersecretary, Health and Human Services Agency
Marko Mijic, Deputy Secretary, Health and Human Services Agency
Samar Muzaffar, Assistant Secretary, Health and Human Services Agency
Stephanie Clendenin, Director, Department of State Hospitals
Stirling Price, Chief Deputy Director, Department of State Hospitals
Brent Houser, Admin Deputy Director, Department of State Hospitals
Marcelo Acob, Chief Financial Officer, Department of State Hospitals
Stephanie Chambers, Budget Officer, Department of State Hospitals

Add the following provision to Item 4440-011-0001:

15. The funds appropriated in this item shall be used only to support workers' compensation claims pursuant to Chapter 85 of the Statutes of 2020 (SB 1159). Upon approval of the Department of Finance, the amount available for expenditure in this item may be adjusted for necessary workers' compensation expenditures and state operations resources necessary to process the claims. Any augmentation shall be authorized not sooner than 30 days after notification in writing to the chairperson of the Joint Legislative Budget Committee. Any unspent funds at the end of the 2021-22 fiscal year shall revert to the General Fund. Notwithstanding Section 26.00, the funds appropriated in this item may be transferred between schedules. Any transfer requires the prior approval of the Department of Finance.

Amend Provision 12 of Item 4440-011-0001 as follows:

"12. Of the funds appropriated in Schedule (2), ~~\$15,000,000~~ \$100,000,000 shall be expended to address deferred maintenance projects that represent critical infrastructure deficiencies. The amount allocated shall be available for encumbrance or expenditure until June 30, ~~2024~~ 2025."

Add the following Provision to Item 4440-011-0001:

16. Contracts entered into or amended from funding included in this item, to address the Incompetent to Stand Trial (IST) waitlist challenges, are exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and from the review or approval of any division of the Department of General Services.

Add the following Provision to Item 4440-011-0001:

17. The Department of Finance is authorized to approve expenditures in those amounts made necessary by decreased reimbursements resulting from Lanterman-Petris-Short caseload reductions during the 2021-22 fiscal year that are within or in excess of amounts appropriated in this act for that year. The Department of Finance shall provide written notification of the augmentation to the Joint Legislative Budget Committee within 10 days from the date of approval.

"4440-490—Reappropriation, State Department of State Hospitals. ~~The balances of the appropriations provided in the following citations are~~ The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2022:

0001—General Fund

(1) Up to \$6,600,000 in Item 4440-011-0001, Budget Act of 2018, Program 4430030-Other Contract Services. ~~The amount available~~ shall support the Incompetent to Stand Trial Diversion Program."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4560-001-3085, Support, and Item 4560-101-3085, Local Assistance, Mental Health Services Oversight and Accountability Commission

Mental Health Student Services Act Partnership Grant Program Augmentation and Evaluation Resources (Issue 25)—It is requested that Item 4560-001-3085 be increased by \$5 million one-time and Item 4560-101-3085 be increased by \$25 million one-time, available over five years respectively, to support the Mental Health Student Services Act Partnership Grant Program through additional grants to county behavioral health departments for partnerships with schools. The funding will also support contract resources for an evaluation of grant awards between fiscal year 2019-20 and 2022-23. It is also requested that Provision 1 be added to Item 4560-001-3085 and Provision 2 of Item 4560-101-3085 be amended to conform to this action (see Attachments 1 and 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Iliana Ramos, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency
Toby Ewing, Executive Director, Mental Health Services Oversight and
Accountability Commission
Norma Pate, Deputy Director of Administrative and Legislative Services, Mental
Health Services Oversight and Accountability Commission
Brian Sala, Deputy Director of Evaluation and Program Operations, Mental Health
Services Oversight and Accountability Commission

Add the following provision to Item 4560-001-3085:

1. Of the funds appropriated in this item, up to \$5,000,000 shall be available for encumbrance or expenditure until June 30, 2026, to support evaluation of the Mental Health Student Services Act in Chapter 3 (commencing with Section 5886) of Part 4 of Division 5 of the Welfare and Institutions Code.

Amend Provision 2 of Item 4560-101-3085 as follows:

"2. Of the funds appropriated in this item, up to ~~\$25,000,000~~ \$50,000,000 shall be available for encumbrance or expenditure until June 30, 2026, to support the Mental Health Student Services Act in Chapter 3 (commencing with Section 5886) of Part 4 of Division 5 of the Welfare and Institutions Code."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4700-101-0890, Local Assistance, and Addition of Item 4700-062-8506, Support, and Item 4700-162-8506, Local Assistance, Department of Community Services and Development

Federal Funds—American Rescue Plan Act for Low-Income Home Energy Assistance Program (Issue 024)—It is requested that Item 4700-101-0890 be increased by \$203,611,000 one-time for assistance provided by the federal government for the Low-Income Home Energy Assistance Program as part of the American Rescue Plan Act of 2021.

Federal Low-Income Household Water Assistance Program Grant (Issue 026)—It is requested that Item 4700-101-0890 be increased by \$90 million one-time for low income water arrearage assistance provided through the Low-Income Household Water Assistance Program as part of the federal Consolidated Appropriations Act of 2021.

American Rescue Plan Act Energy Arrearages (Issue 028)—It is requested that Item 4700-062-8506 be added in the amount of \$6.5 million and Item 4700-162-8506 be added in the amount of \$993.5 million to reflect one-time assistance provided by the federal government under the American Rescue Plan Act of 2021 to cover low-income utility payment arrearages (see Attachments 1 and 2).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Steven Pavlov, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Marko Mijic, Deputy Secretary, Health and Human Services Agency
Vishaal Pegany, Assistant Secretary, Health and Human Services Agency
Dave Scribner, Acting Director, Department of Community Services and Development
Jason Wimbley, Chief Deputy Director, Department of Community Services and
Development
Megan Rivers, Deputy Director, Administration, Department of Community Services and
Development
Chris Vail, Chief Financial Officer, Department of Community Services and Development

4700-062-8506—For support of Department of Community Services and Development,
payable from the Coronavirus Fiscal Recovery Fund of 20216,500,000

Schedule:

(1) 4181-Energy Programs6,500,000

Provision:

1. Notwithstanding any other law, the department may transfer funds from this item to Item 4700-162-8506, upon approval by the Department of Finance.

4700-162-8506—For local assistance, Department of Community Services and Development, payable from the Coronavirus Fiscal Recovery Fund of 2021 ...993,500,000

Schedule:

(1) 4181-Energy Programs993,500,000

Provisions:

1. The Department of Community Services and Development shall receive and administer the California Arrearage Payment Program (CAPP) and expend monies appropriated in this item to reduce delinquent electricity and natural gas utility bill balances for customers experiencing financial hardships related to the economic impacts of the COVID-19 pandemic.
2. All actions to implement the program and expend this appropriation, including the adoption or development of any plan, requirements, guidelines, subgrantee contract provisions, or reporting requirements shall be exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).
3. The department shall modify existing Low Income Home Energy Assistance Program direct pay agreements with energy utilities to expedite the delivery of financial assistance to households with past due energy balances. Agreements shall include specific terms and conditions defining utility responsibilities and the department's rights to provide compliance and audit review of CAPP funds committed and paid to utilities for application to customer accounts. Energy utilities will be required to provide the department with customer data in order to develop CAPP allocation formulas, including the number of residential customer accounts in arrears, total amount of arrearages, the number of low-income residential accounts in arrears (if available), and total amount of low-income customer arrearages (if available).
4. All actions to implement this funding, including entering into contracts for services or equipment, are exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code. The department may award contracts under this section on a noncompetitive bid basis as necessary to implement the purposes of this article.
5. Notwithstanding any other provisions of law, the department may transfer up to 3 percent from this Item to Item 4700-062-8506, upon the Department of Finance's Approval.



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4800-101-0001, Local Assistance, Addition of Statutory Changes, Covered California

Advanced Premium Assistance Subsidy Program (Issue 23)—It is requested that Item 4800-101-0001 be decreased by \$405,647,000 one-time, and corresponding provisional language changes be made, to reflect savings resulting from new federal subsidy levels pursuant to the American Rescue Plan Act of 2021 subsuming the state subsidy program (see Attachment 1).

One-Dollar Premium Subsidy Program (Issue 24)—It is requested that Item 4800-101-0001 be increased by \$20 million ongoing, and corresponding statutory changes made, to provide payments, on or after January 1, 2022, of no less than one dollar to qualified health plan issuers on behalf of qualified individuals enrolled in a qualified health plan through the exchange in the individual market that equal the cost of providing abortion services for which federal funding is prohibited (see Attachment 1).

Statutory Changes: Health Care Affordability Reserve Fund—It is requested that statutory changes be added to establish the Health Care Affordability Reserve Fund and to provide a one-time General Fund transfer of \$333,439,000 for the purpose of future health care affordability measures. The total equals the projected individual mandate penalty revenue in fiscal year 2020-21 and 2021-22, less the 2021-22 cost of the proposed One-Dollar Premium Subsidy Program described above.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Iliana Ramos, Principal Program Budget Analyst, at (916)445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency
Peter Lee, Executive Director, Covered California
Sheena Nash, Chief of External Affairs, Covered California
Kelly Green, Director of External Affairs, Covered California
Katie Ravel, Director of Policy Evaluation and Research, Covered California

"4800-101-0001—For local assistance, California Health Benefit Exchange.....405,647,000 20,000,000

Schedule:

(1) 4202-State Subsidy Program 405,647,000 20,000,000

Provisions:

1. ~~This Item shall support the One-Dollar Premium Subsidy Program pursuant to Title 25 (commencing with Section 100800) Section 100503.5 of the Government Code. and the program design adopted by the California Health Benefit Exchange in accordance with that title, the amount appropriated in this item shall provide advanceable premium assistance subsidies during the 2022 coverage year to individuals with projected and actual household incomes at or below 600 percent of the federal poverty level.~~
2. ~~Of the amount available in this item, the program design, in accordance with Title 25 (commencing with Section 100800) of the Government Code, shall align with the program design for the 2021 coverage year. The California Health Benefit Exchange Board has authority to make technical, conforming changes to the 2022 program design.—~~
3. The Director of Finance may authorize an increase in this appropriation to pay all premium assistance subsidies authorized for the 2022 coverage year pursuant to Section 100503.5 of the Government Code~~the program design~~. Any augmentation under this provision shall be authorized no sooner than 10 days after notification in writing of the necessity thereof to the Joint Legislative Budget Committee, or not sooner than whatever lesser time after notification the Chairperson of the Joint Legislative Budget Committee, or the chairperson's designee, may in each instance determine.
4. Notwithstanding any other law, funds appropriated for the 2022 coverage year pursuant to this item may be encumbered until December 31, 2023."



May 14, 2021

Honorable Nancy Skinner, Chair
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 5160-001-0001, Support, Department of Rehabilitation

Disability Employment Grant (Issue 023)—It is requested that Item 5160-001-0001 be increased by \$10 million and 1 position one-time to create a grant program to incentivize private entities to develop internship programs for individuals with physical disabilities. It is also requested that provisional language be added to extend the encumbrance period and expedite contracts necessary to establish the new program (see Attachment 1). See related issue in the Department of Developmental Services Finance Letter.

Elimination of the Supplemental Provider Rate Increase Suspension—It is requested that Provision 3 in Item 5160-001-0001 be eliminated to remove the Supplemental Provider Rate Increase Suspension.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Steven Pavlov, Principal Program Budget Analyst, at (916)445-6423.

KEELY MARTIN BOSLER
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Kirk Feely, Fiscal Director
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Joseph Shinstock, Fiscal Director
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review Subcommittee No. 4
Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Gabriel Petek, Legislative Analyst
Christopher W. Woods, Senate President pro Tempore's Office
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Chief Consultant, Assembly Republican Leader's Office
Michelle Baass, Undersecretary, California Health and Human Services Agency
Marko Mijic, Deputy Secretary, California Health and Human Services Agency
Samar Muzaffar, Assistant Secretary, Health and Human Services Agency
Joe Xavier, Director, Department of Rehabilitation
Andi Mudryk, Chief Deputy Director, Department of Rehabilitation
Armel Bischocho, Assistant Deputy Director, Department of Rehabilitation

Add the following provision to Item 5160-001-0001:

4. Of the funds appropriated in Schedule (1), \$10,000,000 is appropriated to the Department of Rehabilitation to improve the employment rate of individuals with disabilities and shall be available for encumbrance or expenditure until June 30, 2024.
 - (a) Contracts entered into or amended from Targeted Media Campaign efforts, Training Development and Employer Incentives pursuant to this provision shall be exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and the State Administrative Manual and shall be exempt from the review or approval of any division of the Department of General Services. The Department of Rehabilitation may enter into agreements without advertising or competition as necessary to implement the services for the purposes of this article.