

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Items 4100-001-0001 and Reimbursements and 4100-001-0890, Support, State Council on Developmental Disabilities

Support Services Assistant (Issue 018)—It is requested that Item 4100-001-0890 be increased by \$95,000 in 2024-25 and 1 position ongoing. This request includes \$87,000 in 2025-26 and \$83,000 ongoing beginning in 2026-27. These resources provide authority for a Support Services Assistant.

Statewide Self-Determination Advisory Committee (Issue 019)—It is requested that Item 4100-001-0001 be amended by increasing reimbursements by \$215,000 in fiscal years 2024-25, 2025-26, and 2026-27 and 1 position ongoing to support an existing interagency agreement with the Department of Developmental Services related to the Statewide Self-Determination Advisory Committee.

Self-Determination Program Orientations and Trainings (Issue 021)—It is requested that Item 4100-001-0001 be amended by increasing reimbursements by \$565,000 in 2024-25, \$471,000 in 2025-26, and \$478,000 in 2026-27 and 2 positions ongoing to support an existing interagency agreement with the Department of Developmental Services related to Self-Determination Program orientations and trainings.

Reappropriation of Go-Kits Reimbursement Authority (Issue 023)—It is requested that Item 4100-491 be added to reappropriate up to \$365,000 from Item 4100-001-0001, Budget Act of 2020, through June 30, 2025. This request corrects a reappropriation included in the 2023 Budget Act and will allow the Council to fully expend its 2020 Wildfire Recovery Fund grant award from the California Community Foundation (see Attachment 1).

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 Christopher Odneal, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
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Attention: Christian Griffith, Chief Consultant
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and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Aaron Carruthers, Executive Director, State Council on Developmental Disabilities
Ken DaRosa, Chief Deputy Director, State Council on Developmental Disabilities
Lynn Villoria, Budget Officer, State Council on Developmental Disabilities

4100-491—Reappropriation, State Council on Developmental Disabilities. 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, 2025:

0001—General Fund

(1) Up to \$365,000 in Schedule (1) and up to \$365,000 in Schedule (2) in Item 4100-001-0001, Budget Act of 2020 (Chs. 6 and 7, Stats. 2020), related to the wildfire relief grant funded by the California Community Foundation.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4120-001-0001, and Addition of Items 4120-490 and 4120-491, Support, Emergency Medical Services Authority (EMSA)

Staffing Support Resources Electronic Physician Orders for Life Sustaining Treatment (ePOLST) (Issue 030)—It is requested that Item 4120-001-0001 be increased by 3 positions ongoing to support the planning, development and implementation of ePOLST as required by Chapter 143, Statutes of 2021 (AB 133), including training and outreach, promulgation of regulations, and integration with related data systems.

ePOLST Registry Project Reappropriation (Issue 031)—It is requested that Item 4120-490 be added to reappropriate up to \$6,606,000 from Item 4120-001-0001 from the 2021 Budget Act and extend the availability of these funds from June 30, 2024 to June 30, 2025 to support the continued planning and implementation of the Electronic Physician Orders for Life Sustaining Treatment (ePOLST) Registry project (see Attachment 1). See related Issue 040 in the California Health and Human Services Agency Finance Letter.

Central Registry Replacement and California Emergency Medical Services Information System (CEMSIS) Re-procurement Reappropriation (Issue 032)—It is requested that Item 4120-491 be added to reappropriate up to \$2,964,000 from Item 4120-001-0001 from the 2021 Budget Act and extend the availability of these funds from June 30, 2024 to June 30, 2026 to support planning and implementation of the California Emergency Medical Services Central Registry Replacement Project and re-procurement activities of CEMSIS (see Attachment 2). See related Issue 043 in the California Health and Human Services Agency Finance Letter.

Adjustment to Reflect End of Limited Term Funding for Increased Emergency Preparedness and Response Capability Resources (Issue 035)—It is requested that Item 4120-001-0001 be decreased by \$5,516,000 ongoing to reflect a technical correction to align resources to what was approved in the Increased Emergency Preparedness and Response Capability Resources Budget Change Proposal approved in the 2021 Budget Act.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Community Paramedicine or Triage to Alternate Destination Act: Chapter 270, Statutes of 2023 (AB 767) (Issue 009)—It is requested that Item 4120-001-0001 be increased by \$686,000 and 3 positions in fiscal year 2024-25, \$606,000 and 3 positions in 2025-26, and \$432,000 and 3 positions in 2026-27 and ongoing.

Emergency Medical Services: Liability Limitation: Chapter 474, Statutes of 2023 (AB 1376) (Issue 012)—It is requested that Item 4120-001-0001 be increased by \$200,000 in 2024-25.

Emergency Medical Transportation “No Surprises” Rate Reporting: Chapter 454, Statutes of 2023 (AB 716) (Issue 013)—It is requested that Item 4120-001-0001 be increased by \$521,000 and 2 positions in 2024-25 and \$321,000 and 2 positions in 2025-26 and ongoing to develop and publish a report annually on the allowable maximum rates for ground ambulance transportation services in each county.

Ambulance Patient Offload Time: Chapter 793, Statutes of 2023 (AB 40) (Issue 017)—It is requested that Item 4120-001-0001 be increased by \$1,246,000 and 4 positions in 2024-25 and \$696,000 and 4 positions in 2025-26 and ongoing to streamline patient transfers, reduce delays, and enhance coordination between EMS agencies and hospitals to decrease ambulance patient offload time.

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 Nina Hoang, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
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Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Marko Mijic, Undersecretary, California Health and Human Services Agency
Brendan McCarthy, Deputy Secretary of Program and Fiscal Affairs, California
Health and Human Services Agency
Julie Souliere, Assistant Secretary, California Health and Human Services Agency
Elizabeth Basnett, Acting Director, Emergency Medical Services Authority
Brian Aiello, Chief Deputy Director, Emergency Medical Services Authority
Craig Johnson, Administration and HR Division Chief, Emergency Medical Services
Authority

4120-490—Reappropriation, Emergency Medical Services Authority. 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, 2025:

0001—General Fund

(1) Up to \$6,606,000 in Item 4120-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the purpose of establishing the Physician Orders for Life Sustaining Treatment (POLST) e-registry.

4120-491—Reappropriation, Emergency Medical Services Authority. 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, 2026:

0001—General Fund

(1) Up to \$2,964,000 in Item 4120-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for the purpose of planning and implementation of the California Emergency Medical Services Central Registry Replacement Project and re-procurement of the California Emergency Medical Services Information System.



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Support and Local Assistance, Department of Health Care Access and Information

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Health Care Workforce Reductions: Community Health Workers (Issue 121)—It is requested that Item 4140-001-0001 be decreased by \$6,570,000 in fiscal year 2024-25. It is also requested that Item 4140-101-0001 be decreased by \$182,330,000 in 2024-25 and \$57,500,000 in 2025-26.

Health Care Workforce Reductions: Nursing Initiative (Issue 122)—It is requested that Item 4140-001-0001 be decreased by \$2,750,000 in 2023-24, \$7 million in 2024-25 and Item 4140-101-0001 be decreased by \$67,250,000 in 2023-24, \$63 million one-time in 2024-25, and \$70,000,000 one-time in 2025-26.

Health Care Workforce Reductions: Social Work Initiative (Issue 123)—It is requested that Item 4140-001-0001 be decreased by \$3,505,000 one-time in 2025-26, Item 4140-101-0001 be decreased by \$66,595,000 one-time in 2025-26 and Item 4140-101-3085 be decreased by \$51.9 million one-time in 2025-26.

Health Care Workforce Reductions: Addiction Psychiatry and Medicine Fellowships (Issue 125)—It is requested that Item 4140-101-3085 be decreased by \$48.5 million one-time in 2025-26.

Health Care Workforce Reductions: University and College Grants for Behavioral Health Professionals (Issue 126)—It is requested that Item 4140-101-3085 be decreased by \$52 million one-time in 2025-26.

Health Care Workforce Reductions: Expansion of Masters in Social Work Slots at Public University and College (Issue 127)—It is requested that Item 4140-101-3085 be decreased by \$30 million one-time in 2025-26.

Health Care Workforce Reductions: Psychiatry Local Behavioral Health Program (Issue 128)—It is requested that Item 4140-101-3085 be decreased by \$7 million one-time in 2025-26.

Health Care Workforce Reductions: California Medicine Scholars Program (Issue 129)—It is requested that Item 4140-101-0001 be decreased by \$2.8 million in 2024-25, 2025-26, and 2026-27.

Health Care Workforce Reductions: Health Professions Careers Opportunity Program (Issue 130)—It is requested that Item 4140-001-0001 be decreased by \$800,000 in 2024-25 and ongoing. It is also requested that Item 4140-101-0001 be decreased by \$15.2 million in 2024-25 and ongoing.

Health Care Workforce Reductions: Song-Brown Nurses (Issue 131)—It is requested that Item 4140-101-0001 be decreased by \$15 million one-time in 2024-25.

Health Care Workforce Reductions: Song-Brown Residences (Issue 132)—It is requested that Item 4140-101-0001 be decreased by \$10 million one-time in 2024-25.

Health Care Workforce Reductions: Prior Year Healthcare Workforce (Issue 134)—It is requested Item 4140-001-0001 be decreased by \$3,547,000 in 2023-24 and Item 4140-101-0001 be decreased by \$227,470,000 in 2023-24. These figures represent \$175,797,000 unspent prior year funds, \$51,673,000 current year savings in Item 4140-101-0001, and \$827,000 unspent prior year funds and \$2,720,00 current year savings in Item 4140-001-0001.

It is requested that Provision 2 in Item 4140-001-0001 and Provisions 3, 7, 8, 9, and 10 be eliminated in Item 4140-101-0001 to conform to the Health Care Workforce Reductions.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Primary Care Clinic Modernization: Chapter 505, Statutes of 2023 (SB 779) (Issue 137)—It is requested that Item 4140-001-0143 be increased by \$2,415,000 in 2024-25 to support 5 positions, \$2,898,000 in 2025-26 to support 13 positions, and \$3,144,000 ongoing to support 15 positions.

Hospital Supplier Diversity Reporting Program: Chapter 840, Statutes of 2023 (AB 1392) (Issue 138)—It is requested that Item 4140-001-0143 be increased by \$718,000 in 2024-25 to support 4 positions, \$718,000 in 2025-26 to support 4 positions, \$1,909,000 to support 5 positions in 2026-27, and \$1,659,000 in 2027-28 and ongoing to support 5 positions.

Included below are the remaining adjustments included in the May Revision:

CalRx Technical Adjustment: Biosimilar Insulin Development (Issue 107)—It is requested that Item 4140-101-0001 be increased by \$5.2 million one-time in 2023-24 to reflect the carryover amount for the CalRx Biosimilar Insulin program.

Technical Adjustment: Transfer to Board of Registered Nursing Fund (Issue 106)—It is requested that Item 4140-101-0001 be decreased by \$3,333,000 one-time in 2023-24 to reflect the transfer of the Public Health Nurse Certification and Recertification Fee for Public Health Nurses to the budget of the Department of Consumer Affairs.

Behavioral Health Transformation (Issue 114)—It is requested that Item 4140-001-3085 be increased by \$631,000 one-time to support 3 positions for the planning, implementation, and oversight of the Behavioral Health Services Act Workforce Initiative, pursuant to Chapter 790, Statutes of 2023 (SB 326).

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 Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
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Dr. Mark Ghaly, Secretary, Health and Human Services Agency
Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Darci Delgado, Assistant Secretary, Health and Human Services Agency
Elizabeth Landsberg, Director, Department of Health Care Access and Information
Scott Christman, Chief Deputy Director, Department of Health Care Access and
Information
Ken Yu, Deputy Director of Administrative Services, Department of Health Care
Access and Information
Deshai Knight, Budget Chief, Department of Health Care Access and Information

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Item 4150-001-0933 and Addition of Item 4150-490, Support, Department of Managed Health Care

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Dental Benefits and Rate Review: Chapter 557, Statutes of 2023 (AB 1048) (Issue 039)—It is requested that Item 4150-001-0933 be increased by \$1,408,000 in fiscal year 2024-25, and \$1,387,000 in 2025-26 and ongoing to support 3 positions to review annual health and dental plan filings, issue determinations on dental rates changes, adopt emergency regulations, and issue guidance to health plans regarding compliance pursuant to Chapter 557, Statutes of 2023.

Health Care Coverage-Doulas: Chapter 349, Statutes of 2023 (AB 904) (Issue 043)—It is requested that Item 4150-001-0933 be increased by \$449,000 in 2024-25, \$436,000 in 2025-26, and \$437,000 in 2026-27 to support 2 positions to collect and submit data to the legislature describing doula coverage and programs pursuant to Chapter 349, Statutes of 2023.

Biomarker Testing: Chapter 401, Statutes of 2023 (SB 496) (Issue 044)—It is requested that Item 4150-001-0933 be increased by \$799,000 in 2024-25 to support 3 positions, \$1,216,000 in 2025-26 to support 5 positions, \$1,522,000 in 2026-27 to support 5 positions, \$1,515,000 in 2027-28 and ongoing to support 5 positions to review utilization management and quality assurance documents, issue an All-Plan letter, provide legal guidance, address increased consumer complaints related to biomarker testing and conduct independent medical reviews pursuant to Chapter 401, Statutes of 2023.

Included below are the remaining adjustments included in the May Revision:

Information Technology Security and Workload (Issue 040)—It is requested that Item 4150-001-0933 be increased by \$1,944,000 and 9 positions in 2024-25, \$1,881,000 in 2025-26 and ongoing. This increase will enable the department to resolve audit findings and comply with the Cal-Secure 5-year plan, a roadmap to enhance cybersecurity maturity and effectively identify and manage risk to the state.

Add Positions for Executive and Management Support Workload (Issue 048)—It is requested that Item 4150-001-0933 be increased by \$1,578,000 and 7 positions in 2024-25, \$1,529,000 in 2025-26 and ongoing. The department has experienced an increase in high-level managerial workload resulting from enacted legislation and a steadily increasing number of plans under its jurisdiction. This increase will enable the department to address critical executive and high-level managerial workload, and properly align staff allocation and reporting structures.

Help Center Program Workload Augmentation (Issue 049)—It is requested that Item 4150-001-0933 be increased by \$6,409,000 and 35 positions in 2024-25, \$6,144,000 in 2025-26 and ongoing. The Help Center is the first point of contact for consumers and providers with complaints or concerns related to health care and health care plans. Despite receiving resources in the Budget Act of 2023 to address increased workload, the program continues to experience increased workload. The requested resources will enable the department to continue providing Californians with adequate customer service, reduced wait times, timely complaint resolution and access to services they require.

Technical Adjustment to Health Care Service Plans Discipline: Civil Penalties (SB 858) (Issue 045)—It is requested that Item 4150-490 be added to reappropriate \$2,778,000 in Item 4150-001-0933, 2023 Budget Act, through June 30, 2025. These funds are for consultant services to enhance the department's corrective action plan system to support implementation of SB 858 (Ch. 985, Stats. 2022). This funding is set to expire June 30, 2024. Due to delays in the project approval process, the funds will need to go out later than intended. The department has moved into the contract procurement phase of the project and will need the funds in 2024-25 (see Attachment 1).

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 Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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Mary Watanabe, Director, Department of Managed Health Care
Dan Southard, Chief Deputy Director, Department of Managed Health Care
Nichole Eshelman, Deputy Director Administration, Department of Managed
Health Care
Christin Hemann, Deputy Director of Legislative Affairs, Department of Managed
Health Care
Dr. Mark Ghaly, Secretary, Health and Human Services Agency
Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Kimberly Chen, Assistant Secretary, Health and Human Services Agency

4150-490—Reappropriation, Department of Managed Health Care. The amounts specified in the following citations are reappropriated for the purposes provided for in those reappropriations and shall be available for encumbrance or expenditure until June 30, 2025:

0933—Managed Care Fund

- (1) Up to \$2,778,000 in Item 4150-001-0933, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023)

May 14, 2023

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Various Budget Bill Items, Reimbursements, Support and Local Assistance, California Department of Aging

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

It is requested that Item 4170-001-0001 be decreased by \$1,566,000 in fiscal year 2024-25 and \$1,566,00 in 2025-26, and Item 4170-101-0001 be decreased by \$5.4 million in 2023-24, \$18,434,000 in 2024-25, and \$8,434,000 in 2025-26 to reflect the elimination of the Older Adult Behavioral Health Program. It is also requested that Provision 6 be deleted from Item 4170-101-0001, consistent with this action.

It is requested that Item 4170-101-0001 be decreased by \$37.2 million in 2024-25, \$37.2 million in 2025-26, and \$37.2 million in 2026-27 to reflect the elimination of the Older Californians Act Modernization Program. It is also requested that Provision 3 be deleted from Item 4170-101-0001, consistent with this action.

Included below are the remaining adjustments included in the May Revision:

It is requested that Item 4170-001-0001 be amended by increasing reimbursements by \$911,000 in 2024-25 and \$908,000 in 2025-26 and ongoing to support the Multipurpose Senior Services Program.

It is requested that Item 4170-101-0001 be amended by increasing reimbursements by \$2.5 million in 2024-25 and ongoing to support the CalFresh Healthy Living Nutrition Education Program.

It is requested that Item 4170-001-0890 be amended by increasing reimbursements by \$2,060,000, to realign federal fund reimbursement authority with projected federal grant award amounts.

It is requested that Item 4170-101-0890 be amended by increasing reimbursements by \$33,395,000, to realign federal fund reimbursement authority with projected federal grant award amounts.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

(Issue 059) It is requested that Item 4170-001-0001 be increased by \$130,000 in 2024-25 and \$130,000 in 2025-26 to support 1 position to implement the Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act, Chapter 832, Statutes of 2023 (AB 1163). See related Issue 016 in the Department of Community Services and Development Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, Issue 293 in the Department of Social Services Finance Letter, and Issue 317 in the Department of Public Health Finance Letter.

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 Megan Sabbah, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Susan DeMarois, Director, California Department of Aging
Mark Beckley, Chief Deputy Director, California Department of Aging
Nicole Shimosaka, Deputy Director of the Division of Administrative Services,
California Department of Aging

May 14, 2024

Honorable Scott D. Wiener, Chair
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Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Children and Youth Behavioral Health Initiative: Evidence-Based and Community-Defined Behavioral Health Program Grants (Issue 237)—It is requested that Provision 5 be added to Item 4260-495 to revert \$47,135,000 from Item 4260-101-0001, appropriated in the Budget Act of 2022 (see Attachment 1).

Behavioral Health Continuum Infrastructure Program (Issue 240)—It is requested that Provision 6 be added to Item 4260-495 to revert a total of \$450.7 million from Item 4260-101-0001, appropriated in the Budget Act of 2022. The total amount to be reverted includes \$70 million from fiscal year 2024-25 and \$380.7 million from 2025-26 (see Attachment 1).

Health Enrollment Navigators for Clinics (Issue 242)—It is requested that Item 4260-101-0001 be decreased by \$8 million one-time in fiscal year 2024-25 and Item 4260-101-0890 be decreased by \$8 million one-time in fiscal year 2024-25.

Free Clinics Augmentation (Issue 243)—It is requested that Item 4260-101-0001 be decreased by \$2 million in fiscal year 2023-24 and ongoing.

Naloxone Distribution Project and Medication Assisted Treatment Reduction (Issue 245)—It is requested that Item 4260-001-0001 be decreased by \$3,702,000 in fiscal year 2024-25 and ongoing and Item 4260-116-0001 be decreased by \$57,298,000 in fiscal year 2024-25 and ongoing.

Children and Youth Behavioral Health Initiative: School-Linked Partnership and Capacity Grants (Community Colleges) (Issue 256)—It is requested that Item 4260-495 be amended to revert \$30 million from Item 4260-101-0001, appropriated in the Budget Act of 2021. It is also requested that Item 4260-495 be amended to revert \$70 million from Item 4260-101-0001, appropriated in the Budget Act of 2022 (see Attachment 1).

Children and Youth Behavioral Health Initiative: School-Linked Partnership and Capacity Grants (CSU/UCs) (Issue 257)—It is requested that Item 4260-495 be amended to revert \$50 million from Item 4260-101-0001, appropriated in the Budget Act of 2022 (see Attachment 1).

Children and Youth Behavioral Health Initiative: Services and Supports Platform (Issue 258)—It is requested that Item 4260-101-0001 be decreased by \$140 million one-time in fiscal year 2024-25.

Optional Medi-Cal Benefit: Acupuncture (Issue 262)—It is requested that Item 4260-101-0001 be decreased by \$5,445,000 in fiscal year 2024-25 and \$13,068,000 in fiscal year 2025-26 and ongoing, and Item 4260-101-0890 be decreased by \$11,236,000 in fiscal year 2024-25 and \$26,969,000 in fiscal year 2025-26 and ongoing.

Behavioral Health Bridge Housing Program Reduction (Issue 263)—It is requested that Item 4260-101-0001 be decreased by \$132.5 million in fiscal year 2024-25 and \$207.5 million in fiscal year 2025-26, and Item 4260-101-3085 be increased by \$90 million one-time in fiscal year 2025-26. It is also requested that Provision 13 be amended in Item 4260-101-0001 to reflect the updated allocation for the program (see Attachment 2).

Reduce Equity and Practice Transformation Payments to Providers (Issue 265)—It is requested that Item 4260-101-0001 be decreased one-time by \$43,750,000 in fiscal year 2024-25, \$67.5 million in fiscal year 2025-26, and \$168,750,000 in fiscal year 2026-27. It is also requested that Item 4260-101-0890 be decreased one-time by \$43,750,000 in fiscal year 2024-25, \$67.5 million in fiscal year 2025-26, and \$168,750,000 in fiscal year 2026-27.

Intergovernmental Transfer Administration Fee for Enhanced Payment Program and Quality Incentive Pool (Issue 280)—It is requested that Item 4260-101-0001 be decreased by \$37 million in fiscal year 2024-25, and \$74 million in fiscal year 2025-26 and ongoing.

Major Risk Medical Insurance Program Elimination (Issue 285)—It is requested that Item 4260-101-0001 be decreased by \$78,891,000 in fiscal year 2024-25, \$2.7 million in fiscal year 2025-26 and \$2,520,000 ongoing. Additionally, it is requested that Item 4260-101-3311 be added in the amount of \$78,369,000 in fiscal year 2024-25, \$2,178,000 in fiscal year 2025-26 and \$2,011,000 ongoing.

Proposition 56 General Fund Backfill Reduction (Issue 286)—It is requested that Item 4260-112-0001 be decreased by \$145,376,000 and Item 4260-112-3428 be added in the amount of \$145,376,000 in fiscal year 2024-25 to reflect an adjustment to the amount and the fund source supporting the Proposition 56 backfill (see Attachment 3).

Quality Sanctions Penalties (Issue 290)—It is requested that Item 4260-101-0001 be decreased by \$1,024,000 one-time in fiscal year 2024-25, and Item 4260-101-0890 be decreased by \$1,025,000 one-time in fiscal year 2024-25.

Freeze Medi-Cal County Administration Increase (Issue 292)—It is requested that Item 4260-101-0001 be decreased one-time by \$20,405,000 in fiscal year 2024-25, \$41,991,000 in fiscal year 2025-26, \$64,996,000 in fiscal year 2026-27, and \$88,789,000 in fiscal year 2027-28.

Indian Health Grant Program Elimination (Issue 303)—It is requested that Item 4260-001-0001 be decreased by \$424,000 in fiscal year 2024-25 and ongoing and Item 4260-111-0001 be decreased by \$22,576,000 in fiscal year 2024-25 and ongoing.

Managed Care Organization Tax General Fund Offset (Issue 306)— It is requested that Item 4260-101-0001 be decreased by \$75 million in fiscal year 2023-24, \$879 million in fiscal year 2024-25, \$2,412,000,000 in fiscal year 2025-26, \$3,368,000,000 in fiscal year 2026-27, and Item 4260-101-3428 be increased by \$879 million in fiscal year 2024-25, \$2,412,000,000 in fiscal year 2025-26, and \$3,368,000,000 in fiscal year 2026-27.

Managed Care Organization Tax Amendment (Medicare) (Issue 307)—It is requested that Item 4260-101-0001 be decreased by \$689,900,000 in fiscal year 2024-25, \$950 million in fiscal year 2025-26, and \$1,285,000,000 in fiscal year 2026-27, and Item 4260-101-3428 be increased by \$689,900,000 in fiscal year 2024-25, \$950 million in fiscal year 2025-26, and \$1,285,000,000 in fiscal year 2026-27.

Health Enrollment Navigators (Issue 309)—It is requested that Item 4260-101-0001 be decreased by \$18 million one-time in fiscal year 2024-25 and Item 4260-101-0890 be decreased by \$18 million one-time in fiscal year 2024-25.

The May Revision proposes the following adjustments to enable departments to implement recent chaptered legislation:

Abortion Provider Protections: Chapter 261, Statutes of 2023 (SB 487) (Issue 204)—It is requested that Item 4260-001-0001 be increased by \$234,000 in fiscal year 2024-25 and Item 4260-001-0890 be increased by \$235,000 in fiscal year 2024-25 to support 3 permanent positions. It is also requested that Item 4260-001-0001 be increased by \$221,000 in fiscal year 2025-26 and ongoing and Item 4260-001-0890 be increased by \$221,000 in fiscal year 2025-26 and ongoing.

Behavioral Health (SB 43): Chapter 637, Statutes of 2023 (Issue 205)—It is requested that Item 4260-001-0001 be increased by \$539,000 in fiscal year 2024-25 and \$512,000 in fiscal year 2025-26 and ongoing to support 6 permanent positions. It is also requested that Item 4260-001-0890 be increased by \$538,000 in fiscal year 2024-25 and \$511,000 in fiscal year 2025-26 and ongoing.

Behavioral Health Transformation: Behavioral Health Services Act: Chapter 790, Statutes of 2023 (SB 326) (Issues 206)—It is requested that Item 4260-001-0001 be increased by \$16,938,000 one-time, Item 4260-001-3085 be increased by \$28,187,000 one-time, Item 4260-001-3397 be increased by \$31,613,000 one-time, and Item 4260-001-0890 be increased by \$39,762,000 one-time.

Behavioral Health Transformation: Behavioral Health Infrastructure Bond Act: Chapter 789, Statutes of 2023 (AB 531)—It is requested that 3 positions be converted from limited-term to permanent in 2024-25 and ongoing, funded by the 2024 Behavioral Health Infrastructure Bond Fund, to provide resources to the Department of Health Care Services to implement and administer the Behavioral Health Infrastructure Bond Act.

HOPE California: Secured Residential Treatment Pilot Program: Chapter 685, Statutes of 2023 (AB 1360) (Issue 208)—It is requested that Item 4260-001-0001 be increased by \$153,000 in fiscal year 2024-25 and \$144,000 in fiscal years 2025-26 through 2028-29 to support 1 position.

Local Educational Agencies Medi-Cal Billing Option Program: Chapter 527, Statutes of 2023 (AB 483) (Issue 209)—It is requested that Item 4260-001-0001 be amended by increasing reimbursements by \$957,000 in fiscal year 2024-25 to support 19 permanent positions and increasing reimbursements by \$1,534,000 in fiscal year 2025-26 and ongoing. It is also requested that Item 4260-001-0890 be increased by 957,000 in fiscal year 2024-25 and increased by \$1,534,000 in fiscal year 2025-26 and ongoing.

Medicare Part A Buy-In: Chapter 707, Statutes of 2023 (SB 311) (Issue 211 and 301)—It is requested that Item 4260-001-0001 be increased by \$509,000 in fiscal year 2024-25, Item 4260-001-0890 be increased by \$509,000 and 5 permanent positions ongoing, Item 4260-101-0001 be decreased by \$1,272,000, and Item 4260-101-0890 be decreased by \$40,143,000 ongoing.

Naloxone Distribution Project Tribal Governments Technical Assistance Workload: Chapter 570, Statutes of 2023 (AB 1233) (Issue 212)—It is requested that Item 4260-001-0890 be increased by \$81,000 in fiscal year 2024-25, \$77,000 in fiscal year 2025-26, and \$77,000 in fiscal year 2026-27. It is also requested that Item 4260-001-3397 be increased by \$81,000 in fiscal year 2024-25, \$76,000 in fiscal year 2025-26, and \$76,000 in fiscal year 2026-27.

Robert F. Kennedy Farm Workers Medical Plan: Chapter 333, Statutes of 2023: (AB 494) (Issue 214)—It is requested that Item 4260-001-0001 be increased by \$141,000 in fiscal year 2026-27 and ongoing through fiscal year 2030-31.

Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act: Chapter 832, Statutes of 2023 (AB 1163) (Issue 282)—It is requested that Item 4260-101-0001 be increased by \$132,000 one-time and Item 4260-101-0890 be increased by \$593,000 one-time to support the implementation of AB 1163. See related issues in the Department of Community Services and Development (Issue 016), the Department of Aging (Issue 059), the Department of Social Services (Issue 293), and the Department of Public Health (Issue 317) Finance Letters.

Biomarker Testing: Chapter 401, Statutes of 2023 (SB 496) (Issue 297)—It is requested that Item 4260-101-0001 be increased by \$9,062,000 in fiscal year 2024-25 and ongoing, and Item 4260-101-0890 be increased by \$16,128,000 in fiscal year 2024-25 and ongoing.

Pharmacogenomic Testing: Chapter 329, Statutes of 2023 (SB 425) (Issue 298)—It is requested that Item 4260-101-0001 be increased by \$6,475,000 in fiscal year 2024-25 and ongoing, and Item 4260-101-0890 be increased by \$11,525,000 in fiscal year 2024-25 and ongoing.

Mobile Optometric Office: Chapter 487, Statutes of 2023 (SB 502) (Issue 319)— It is requested that Item 4260-001-0890 be increased by \$191,000 in fiscal year 2024-25 and \$179,000 in fiscal year 2025-26 and ongoing to support 2 permanent positions and Item 4260-001-8140 be added in the amount of \$102,000 in fiscal year 2024-25 and \$96,000 in fiscal year 2025-26 and ongoing.

Included below are the remaining adjustments included in the May Revision:

Local Assistance

Medi-Cal Estimate (Issues 233, 238, 261, 299, 305, 311 and 316)—It is requested that the one-time adjustments below be made to the following items to reflect caseload and other miscellaneous adjustments outlined in the Medi-Cal Estimate. In addition, 2024-25 expenditure estimates also align with proposed changes in the federal Home and Community-Based Services (HCBS) Spending Plan. These Item adjustments are not inclusive of other issues reflected in this letter.

- Item 4260-101-0001 be increased by \$1,298,197,000 and reimbursements be increased by \$250,793,000
- Item 4260-101-0232 be increased by \$472,000
- Item 4260-101-0233 be increased by \$133,000
- Item 4260-101-0236 be increased by \$393,000
- Item 4260-101-0890 be increased by \$767,285,000
- Item 4260-101-3085 be increased by \$12,642,000
- Item 4260-101-3305 be increased by \$15,501,000
- Item 4260-101-3431 be decreased by \$804,000,000
- Item 4260-102-0001 be increased by \$3,987,000
- Item 4260-102-0890 be increased by \$792,000
- Item 4260-106-0890 be increased by \$16,051,000
- Item 4260-112-0001 be increased by \$16,822,000
- Item 4260-117-0001 be decreased by \$757,000
- Item 4260-117-0890 be decreased by \$1,374,000

Family Health Estimate (Issue 232)—It is requested that the one-time adjustments below be made to the following items to reflect multiple updates outlined in the Family Health estimate.

- Item 4260-111-0001 be increased by \$26,427,000
- Item 4260-114-0001 be decreased by \$907,000
- Item 4260-114-0009 be decreased by \$49,000
- Item 4260-114-0890 be increased by \$50,000

Behavioral Health Federal Funds Adjustment (Issue 223)—It is requested that Item 4260-115-0890 be increased by \$61,060,000 one-time in fiscal year 2024-25 and Item 4260-116-0890 be increased by \$35,610,000 one-time in fiscal year 2024-25 to reflect an adjustment to the projected federal funds to support mental health and substance use disorder services based on grants awarded in fiscal year 2023-24.

Behavioral Health Transformation: Funding for County Behavioral Health Departments (Issue 300)—It is requested that Item 4260-101-0001 be increased by \$50 million one-time in fiscal year 2024-25, and Item 4260-101-0890 be increased by \$35 million one-time in fiscal year 2024-25.

Children's Hospital New Directed Payment (Issues 308 and 315)—It is requested that Item 4260-101-0890 be increased by \$115 million in fiscal year 2024-25 and ongoing and Item 4260-101-3431 be increased by \$115 million in fiscal year 2024-25 and ongoing.

Naloxone Distribution Project Augmentation (Issue 314)—It is requested that Item 4260-116-3397 be increased by \$8,334,000 one-time to expand the distribution of Naloxone through the Naloxone Distribution Project.

Language Only

Children and Youth Behavioral Health Initiative Next Generation Parent Video Series and Digital Supports—It is requested that Provision 20 be added to Item 4260-101-0001 to provide contract and regulatory exemption for the department to develop the next generation video series and digital supports for remote mental health assessment for children and youth (see Attachment 4).

Managed Care Organization Tax General Fund Offset—Finance notes that a technical adjustment will be needed to update the transfer authority (Item 4260-118-3428) to conform to revised expenditure projections.

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 Andrew Duffy, Paula Fonacier Tang, or Megan Sabbah, Principal Program Budget Analysts, at (916) 445-6423, respectively.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Dr. Akilah Weber, Chair, Assembly Budget Subcommittee No. 1
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Mark Ghaly, Secretary, California Health and Human Services Agency
Marko Mijic, Undersecretary, California Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, California Health and Human Services Agency
Kimberly Chen, Assistant Secretary, California Health and Human Services Agency
Michelle Baass, Director, Department of Health Care Services
Tyler Sadwith, State Medicaid Director, Department of Health Care Services
Erika Sperbeck, Chief Deputy Director, Department of Health Care Services
Sarah Brooks, Chief Deputy Director, Department of Health Care Services
Lori Walker, Deputy Director and Chief Financial Officer, Department of Health Care Services

Amend Item 4260-495 as follows:

"4260-495—Reversion, State Department of Health Care Services. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Item 4260-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$14,930,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for Clinic Workforce Stabilization Retention in Provision 35.

(2) Item 4260-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).
\$30,000,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for the Children and Youth Behavioral Health Initiative School-Linked Partnership, Capacity, and Infrastructure Grants for Higher Education in Provision 16(b).

(3) Item 4260-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$70,000,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for the Children and Youth Behavioral Health Initiative in Provision 16. This funding is for the School-Linked Partnership and Capacity Grants Program for Community Colleges.

(4) Item 4260-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$50,000,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for the Children and Youth Behavioral Health Initiative in Provision 16. This funding is for the School-Linked Partnership and Capacity Grants Program for UCs/CSUs.

(5) Item 4260-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$47,135,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for the Children and Youth Behavioral Health Initiative in Provision 16. This funding is for the Evidence-Based and Community-Defined Behavioral Health Program.

(6) Item 4260-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$450,700,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for the Behavioral Health Continuum Infrastructure Program in Provision 14.

3085—Mental Health Services Fund

(1) Item 4260-101-3085, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
\$265,000,000 appropriated in Program 3960022-Benefits (Medical Care and Services) for Behavioral Health Bridge Housing in Provision 3."

Amend Provision 13 of Item 4260-101-0001 as follows:

"13. (a) Of the funds appropriated in this item, ~~\$265,000,000~~ \$132,500,000 is available to implement the Behavioral Health Bridge Housing Program to award competitive grants to qualified counties and tribal entities to address the immediate housing and treatment needs of people experiencing unsheltered homelessness who have serious behavioral health conditions.

(b) The State Department of Health Care Services shall determine the methodology and distribution of the grant funds appropriated for the Behavioral Health Bridge Housing Program.

(c) An entity shall expend funds to supplement and not supplant existing funds provided for the housing and treatment needs of people experiencing unsheltered homelessness who have serious behavioral health conditions to receive grant funds.

(d) The Behavioral Health Bridge Housing Program shall be implemented only if, and to the extent that, the State Department of Health Care Services determines that 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 the Behavioral Health Bridge Housing Program, 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."

4260-112-3428—For transfer by the Controller, upon order of the Department of Finance,
 from the Managed Care Enrollment Fund to the Healthcare Treatment Fund
(145,376,000)

Provisions:

1. The amount transferred pursuant to this item shall reflect the amount determined by the Department of Finance to be necessary to support expenditures authorized from the Healthcare Treatment Fund exceeding the available fund balance and revenues. Upon the order of the Department of Finance, the Controller shall return funds transferred pursuant to this item that exceed the amount necessary at the end of the fiscal year. The Department of Finance may increase or decrease the amount of this transfer based on expenditure and revenue projections. The Department of Finance may direct the Controller to make one or more transfers on a schedule determined by the Department of Finance. The Department of Finance may delegate the scheduling of transfers to the State Department of Health Care Services. The authority to make transfers pursuant to this item shall be available without regard to fiscal year.
2. (a) If the amount determined to be necessary in accordance with Provision 1 exceeds the authority of this item, the Department of Finance may increase the transfer authority in this item.
 (b) The Department of Finance shall notify the Joint Legislative Budget Committee within 10 days of authorizing an increase to this appropriation unless prior notification of the revised amount has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.
3. The Legislature finds and declares that this item is:
 - (a) Made in accordance with the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Article 2.5 (commencing with Section 30130.50) of Chapter 2 of Part 13 of Division 2 of the Revenue and Taxation Code).
 - (b) Consistent with the purposes and conditions of expenditures described in subdivision (a) of Section 30130.55 of the Revenue and Taxation Code.

Add Provision 20 to Item 4260-101-0001 as follows:

20. (a) Of the amounts appropriated in Schedule (2), \$16,870,000 is available for encumbrance or expenditure until June 30, 2025, for the State Department of Health Care Services to support the development of a video series to provide parents with resources and skills to support their children's mental health and to develop next generation digital supports for remote mental health assessment and intervention.

(b) 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.

(c) For purposes of implementing the Behavioral Health Bridge Housing Program, 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.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

AIDS Drug Assistance Program (ADAP) Loan (Fund 3080) to General Fund (Issue 324)—It is requested that Item 4265-011-3080 be added to reflect a loan of \$500 million from the AIDS Drug Assistance Program Loan to the General Fund, and that provisional language be added to identify loan repayment details to conform with early action (see Attachment 1). The May Revision also includes a \$23 million set-aside for program enhancements.

Urgent Needs and Emergent Issues in Children's Behavioral Health: Youth Suicide Reporting and Crisis Response Pilot Program (Issues 340 and 341)—It is requested that provisional language be added to Item 4265-495 to revert \$7.5 million from Item 4265-001-0001, Public and Environmental Health program, appropriated in Chapter 249, Statutes of 2022 (AB 179) and \$6 million from Item 4265-001-0001, Public and Environmental Health program, appropriated in Chapter 12, Statutes of 2023 (SB 101) for the Youth Suicide Reporting and Crisis Response Pilot Program. It is also requested that Item 4265-001-0001 be decreased by \$1.5 million one-time to reflect a reduction to the Youth Suicide Reporting and Crisis Response Pilot Program and that corresponding provisional language be amended to reflect an updated amount (see Attachments 2 and 3).

Elimination of Office of Oral Health General Fund Backfill (Issue 342)—It is requested that Item 4265-001-0001 be decreased by \$4.6 million ongoing to eliminate the General Fund backfill for the Office of Oral Health. Conforming budget bill and statutory changes are also proposed to effectuate this policy and align funding with appropriations in the Budget Act (see Attachment 4).

Skilled Nursing Facilities Staffing Audits Fund Shift (Issue 346)—It is requested that Item 4265-001-0001 be decreased by \$4 million in fiscal year 2025-26 and ongoing, and that Item 4265-001-3098 be increased by \$4 million in 2025-26 and ongoing to reflect a net-zero shift of resources to support mandated activities related to the monitoring and enforcement of skilled nursing facility minimum staffing requirements.

Climate and Health Surveillance Program Reduction (Issue 347)—It is requested that Item 4265-001-0001 be decreased by \$3,085,000 ongoing to reflect a reduction in the Climate and Health Surveillance program.

Children and Youth Behavioral Health Initiative: Public Education and Change Campaign Elimination (Issue 388)—It is requested that Item 4265-001-0001 be decreased by \$40 million in 2024-25 and \$5 million in 2025-26 to reflect the elimination of the Children and Youth Behavioral Health Initiative Public Education and Change Campaign, and that provisional language providing a Public Contract Code exemption for these activities be removed (see Attachment 4).

Eliminate Public Health Funding (Issue 391)—It is requested that Item 4265-001-0001 be decreased by \$95.9 million ongoing to reflect the elimination of Future of Public Health state operations funding. Corresponding statutory changes are also requested to eliminate programmatic requirements.

Eliminate Local Public Health Funding (Issue 404)—It is requested that Item 4265-111-0001 be decreased by \$204.1 million ongoing to reflect the elimination of Future of Public Health local assistance funding. Corresponding statutory changes are also requested to eliminate programmatic requirements.

Disease Surveillance Readiness, Response, Recovery, and Maintenance of IT Operations (Issue 398)—It is requested that Item 4265-001-0001 be decreased by \$6.9 million in 2025-26 and ongoing to reflect a reduction in the Disease Surveillance Readiness, Response, Recovery, and Maintenance of IT Operations appropriation.

Information Technology, Data Science and Informatics Framework for a 21st Century Public Health System Program (Issue 402)—It is requested that Item 4265-001-0001 be decreased by \$10 million in 2025-26 and ongoing to reflect a reduction in the Information Technology, Data Science and Informatics Framework for a 21st Century Public Health System Program.

State Department of Public Health Licensing and Certification Fund Loan—A budgetary loan of \$70 million is requested as part of Control Section 13.40, from the State Department of Public Health Licensing and Certification Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Childhood Lead Poisoning Prevention Fund Loan—A budgetary loan of \$18 million is requested as part of Control Section 13.40, from the Childhood Lead Poisoning Prevention Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Infant Botulism Treatment and Prevention Fund Loan—A budgetary loan of \$17 million is requested as part of Control Section 13.40, from the Infant Botulism Treatment and Prevention Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Health Statistics Special Fund Loan—A budgetary loan of \$17 million budgetary loan is requested as part of Control Section 13.40, from the Health Statistics Special Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Birth Defects Monitoring Fund Loan—A budgetary loan of \$5 million budgetary loan is requested as part of Control Section 13.40, from the Birth Defects Monitoring Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Radiation Control Fund Loan—A budgetary loan of \$4.5 million is requested as part of Control Section 13.40, from the Radiation Control Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Occupational Lead Poisoning Prevention Account Loan—A budgetary loan of \$3 million is requested as part of Control Section 13.40, from the Occupational Lead Poisoning Prevention Account to the General Fund from resources not required for currently projected operational or programmatic purposes.

Gambling Addiction Program Fund Loan—A budgetary loan of \$2.7 million is requested as part of Control Section 13.40, from the Gambling Addiction Program Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Domestic Violence Training and Education Fund Loan—A budgetary loan of \$1.6 million is requested as part of Control Section 13.40, from the Domestic Violence Training and Education Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Cannery Inspection Fund Loan—A budgetary loan of \$1.2 million is requested as part of Control Section 13.40, from the Cannery Inspection Fund to the General Fund from resources not required for currently projected operational or programmatic purposes.

Included below are the remaining adjustments included in the May Revision:

Center for Health Care Quality, Quality Improvement Projects (Issue 306)—It is requested that Item 4265-004-0942 be increased by \$500,000 and 2 positions ongoing to support health care facilities in improving their compliance with state and federal requirements. It is also requested that Item 4265-004-0942 be increased by \$352,000 one-time to support planning for the Centralized Application Branch Online Application Project.

People of the State of California v. JUUL Labs, Inc. Settlement (Issue 312)—It is requested that Item 4265-001-8141 be added in the amount of \$5.6 million one-time for activities to help address, prevent, and reduce youth use of e-cigarettes. Funding increases to \$7,780,000 in 2025-26 through 2027-28, and \$7,620,000 in 2028-29. It is also requested that provisional language be added to extend encumbrance and expenditure authority through June 30, 2027, and that corresponding statutory changes be adopted to establish the fund (see Attachment 5).

Genetic Disease Screening Program Estimate (Issue 334)—It is requested that Item 4265-111-0203 be decreased by \$4,739,000 ongoing to reflect updated expenditure estimates due to projected declines in caseload in the Newborn Screening Program and Prenatal Screening Program, and a decrease in screening costs in the Newborn Screening Program.

Women, Infants, and Children Program Estimate (Issue 335)—It is requested that Item 4265-111-0890 be decreased by \$968,000 ongoing and Item 4265-111-3023 be decreased by \$6,378,000 ongoing to reflect updated expenditure estimates that are primarily driven by a decrease in projected food inflation.

Adjustment to Increase Reimbursement Authority (Issue 337)—It is requested that Item 4265-001-0001 be amended by increasing reimbursements by \$21 million and that Item 4265-111-0001 be amended by increasing reimbursements by \$160 million to enable the Department of Public Health to expend funds associated with the extension of the Centers for Disease Control and Prevention's Epidemiology and Laboratory Capacity Grant, and an agreement with the Emergency Medical Services Authority to support an emergency staffing contract.

AIDS Drug Assistance Program Estimate (Issue 339)—It is requested that Item 4265-111-0890 be decreased by \$4,415,000 ongoing to reflect a decrease in federal grant funds based on clients served and eligible costs.

Proposition 99 Expenditure Adjustments (Issues 377-379)—It is requested that the following Items be amended to reflect updated cigarette tax revenue estimates (from specified Cigarette and Tobacco Products Surtax Funds):

- Item 4265-001-0231 be increased by \$1,526,000 ongoing.
- Item 4265-001-0234 be increased by \$210,000 ongoing.
- Item 4265-001-0236 be increased by \$16,000 ongoing.
- Item 4265-111-0231 be increased by \$500,000 ongoing.

Adjustment to Reflect Available Resources in Breast Cancer Research Account, Breast Cancer Fund (Issue 380)—It is requested that Item 4265-001-0007 be increased by \$33,000 ongoing to reflect updated cigarette tax revenue estimates.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

California Neurodegenerative Disease Registry: Chapter 522, Statutes of 2023 (AB 424) (Issue 307)—It is requested that Item 4265-001-0001 be increased by \$918,000 in 2024-25 and \$543,000 in 2025-26, 2026-27, and 2027-28 to collect data to determine the incidence and prevalence of amyotrophic lateral sclerosis in the state through the existing Neurodegenerative Disease Registry.

California Cancer Registry: Chapter 867, Statutes of 2023 (SB 344) (Issue 308)—It is requested that Item 4265-001-0001 be increased by \$180,000 and 1 position in 2024-25 and ongoing. It is also requested that Item 4265-001-0001 be increased by \$91,000 in 2024-25, 2025-26, and 2026-27. SB 344 requires the Department of Public Health to develop and monitor new compliance requirements for pathologists reporting cases to the California Cancer Registry.

Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act: Chapter 832, Statutes of 2023 (AB 1163) (Issue 317)—It is requested that Item 4265-001-0001 be increased by \$430,000 in 2024-25 and \$280,000 in 2025-26 to implement system changes to collect voluntary self-identification information pertaining to intersexuality in the course of collecting demographic data. See related Issue 016 in the Department of Community Services and Development Finance Letter, Issue 059 in the Department of Aging Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, and Issue 293 in the Department of Social Services Finance Letter.

Reporting of Animal Testing Methods: Chapter 430, Statutes of 2023 (AB 357) (Issue 319)—It is requested that Item 4265-001-0001 be increased by \$688,000 in 2024-25, \$569,000 in 2025-26, and by \$257,000 and 1 position in 2026-27 and ongoing.

Tobacco Sales: Flavored Tobacco Ban: Chapter 351, Statutes of 2023 (AB 935) (Issue 320)—It is requested that Item 4265-001-0001 be increased by \$2,214,000 in 2024-25 and \$1,940,000 in 2025-26 and ongoing to enforce the ban on flavored tobacco products by conducting investigations of licensed tobacco retailers.

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 Nina Hoang, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Dr. Akilah Weber, Chair, Assembly Budget Subcommittee No. 1
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Marko Mijic, Undersecretary, California Health and Human Services Agency
Brendan McCarthy, Deputy Secretary of Program and Fiscal Affairs, California
Health and Human Services Agency
Julie Souliere, Assistant Secretary, California Health and Human Services Agency
Dr. Tomas Aragon, State Public Health Officer, California Department of Public
Health
Susan Fanelli, Chief Deputy Director of Health Quality and Emergency Response,
California Department of Public Health
Brandon Nunes, Chief Deputy Director of Operations, California Department of
Public Health

4265-011-3080—For transfer by the Controller, upon order of the Director of Finance,
from the AIDS Drug Assistance Program Rebate Fund, to the General Fund.....
..... (500,000,000)

Provisions:

1. The Department of Finance may transfer up to \$500,000,000 as a loan to the General Fund. The Department of Finance shall order the repayment of all or a portion of the loan if, in consultation with the Office of AIDS of the State Department of Public Health, it determines that any of the following circumstances exists:
 - (a) The fund or account from which the loan was made has a need for the moneys to maintain funding for program operations.
 - (b) The fund or account from which the loan was made has a need for the moneys to maintain uninterrupted access to drugs and services provided through ADAP and the HIV prevention program as described in Section 120972 of the Health and Safety Code for all individuals who meet the eligibility criteria.
 - (c) The fund or account from which the loan was made has a need for the moneys to increase eligibility criteria or add new drugs and services to ADAP and the HIV prevention program as described in Section 120972 of the Health and Safety Code.

Amend Item 4265-495 as follows:

“4265-495—Reversion, State Department of Public Health. As of June 30, 2024, the balances, as specified below, of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made:

0001—General Fund

- (1) \$9,700,000 of the amount appropriated in Provision 22 of Item 4265-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) to support community-based clinical education rotations for dental students.
- (2) \$3,085,000 of the amount appropriated in Schedule 2 of Item 4265-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) to support the climate and health surveillance program.
- (3) \$900,000 of the amount appropriated in Schedule 2 of Item 4265-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) to support COVID-19 website information technology resources.
- (4) \$7,500,000 of the amount appropriated in Provision 26 of Item 4265-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) to support a youth suicide reporting and crisis response pilot program.
- (5) \$6,000,000 of the amount appropriated in Provision 8 of Item 4265-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023) to support a youth suicide reporting and crisis response pilot program.”

Amend Provision 7 of Item 4265-001-0001:

"7. (a) Of the funds appropriated in Schedule (2), ~~\$5,000,000~~ \$3,500,000 is available for encumbrance or expenditure until June 30, 2026, to support the Youth Suicide Reporting and Crisis Response Pilot Program.

(b) 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, 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."

Eliminate Provisions 13 and 14 of Item 4265-001-0001 as follows:

~~"13. (a) Of the amount appropriated in Schedule (2), \$4,600,000 shall be available to support the Office of Oral Health, as established by subdivision (d) of Section 30130.57 of the Revenue and Taxation Code. The amount is intended as supplemental funding to provide total funding, from all fund sources, of \$30,000,000 for this program, notwithstanding the reduction in Proposition 56 funds required by subdivision (h) of Section 30130.57 of the Revenue and Taxation Code.~~

~~(b) In order to maximize transparency and efficiency in providing funding for the grant program described in this provision, the Director of Finance may decrease or increase this item to ensure the amount provided in subprovision (a) conforms to the final determination of available Proposition 56 revenues made pursuant to subdivision (h) of Section 30130.57 of the Revenue and Taxation Code."~~

~~"14. (a) Of the amount appropriated in Schedule (2), \$40,000,000 shall be available for the Children and Youth Behavioral Health Initiative.~~

~~(b) Notwithstanding any other law, contracts entered into or amended pursuant to this provision are exempt from the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, from 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 further exempt from the review or approval of the Department of General Services, including as specified in Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code."~~

4265-001-8141—For support of State Department of Public Health, payable from the Electronic Cigarette Settlements Fund	5,600,000
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Schedule:

	4045-Public and Environmental Health	5,600,000
(1)		

Provisions:

1. Of the funds appropriated in this item, \$2,000,000 shall be available for encumbrance or expenditure until June 30, 2027, to expand education for retailers and customers about the statewide flavored tobacco ban.

2. Of the funds appropriated in this item, \$1,800,000 shall be available for encumbrance or expenditure until June 30, 2027, to support a campaign to support vaping cessation among youth and young adults.

3. Of the funds appropriated in this item, \$1,800,000 shall be available for encumbrance or expenditure until June 30, 2027, to support a campaign to educate retail workers about existing tobacco laws and the dangers of tobacco addiction.

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Regional Centers – Health and Safety Waiver Assistance (Issue 106)—It is requested that Item 4300-101-0001 be decreased by \$3 million, and reimbursements be decreased by \$1,412,000 ongoing for resources related to providing consumers and families assistance in applying for health and safety waivers. It is also requested that conforming statutory changes be added for these purposes.

Regional Centers – Emergency Preparedness Resources (Issue 107)—It is requested that Item 4300-101-0001 be decreased by \$1,050,000 ongoing for resources related to procuring emergency preparedness supplies and informational materials. Funds for this purpose have historically been provided subject to resource availability.

Regional Centers – Direct Service Professional Internship Program (Issue 110)—It is requested that Item 4300-495 be added to revert \$20 million one-time from Item 4300-101-0001, Budget Act of 2022, for the direct service professional internship program (see Attachment 1). It is also requested that statutory changes be added for these purposes.

Regional Centers – Tribal Engagement for Early Start Services (Issue 112)—It is requested that Item 4300-101-0001 be decreased by \$750,000 ongoing to align funding for this outreach initiative with current fiscal year 2023-24 levels.

Regional Centers – Coordinated Family Support Services (Issue 120)—It is requested that Item 4300-101-0001 be decreased by \$6.6 million and reimbursements be decreased by \$4.4 million one-time as a workload adjustment in the Department of Developmental Services estimate in 2023-24 to reflect revised service cost assumptions.

Included below are the remaining adjustments included in the May Revision:

Reimbursement System Project and Maintenance and Operation Costs (Issue 092)—It is requested that Item 4300-001-0001 be increased by \$3,258,000 in 2024-25, \$2,443,000 in 2025-26, and \$1,791,000 ongoing beginning in 2026-27 to complete the Reimbursement System Project and support maintenance and operations costs. This request also includes provisional language to make the level of 2024-25 funding contingent upon approval of the pending Iterative Project Report by the Department of Technology (see Attachment 2).

Reimbursement System Project – Reappropriation (Issue 100)—It is requested that Item 4300-490 be added to reappropriate \$5 million from Item 4300-001-0001, Budget Act of 2021, through June 30, 2025. This request corrects a reappropriation included in the 2022 Budget Act and will support completion of the Reimbursement System Project and maintenance and operations costs (see Attachment 3).

Uniform Fiscal System Modernization and the Consumer Electronic Records Management System Project Planning (Issue 093)—It is requested that Item 4300-001-0001 be increased by \$3,323,000 and reimbursements be increased by \$369,000 one-time to support planning for the Uniform Fiscal System Modernization and Consumer Electronic Records Management System projects. It is also requested that Item 4300-101-0001 be increased by \$2,665,000 one-time for these purposes.

Allocation for Employee Compensation (Issue 097)—It is requested that Item 4300-001-0001 be increased by \$18,000 and reimbursements be increased by \$2,000 ongoing to reflect revised employee compensation costs.

Allocation for Employee Benefits (Issue 098)—It is requested that Item 4300-001-0001 be increased by \$2,000 ongoing to reflect revised staff benefit costs.

State Operated Facilities – Complex Need Residential Program Update (Issue 099)—It is requested that Item 4300-001-0001 be decreased by \$7,038,000 and 28.8 positions one-time to reflect revised staffing cost assumptions for the program in 2024-25.

State Operated Facilities – Population and Staffing May Revision (Issue 101)—It is requested that Item 4300-001-0001 be increased by \$3,286,000 and 16 positions and reimbursements be decreased by \$3,286,000 and 16 positions ongoing to reflect revised federal reimbursement assumptions related to the Stabilization Training Assistance Reintegration home program.

Regional Centers – Caseload and Utilization May Revision (Issues 103, 119, and 123)—It is requested that Item 4300-101-0001 be increased by \$41,210,000 and reimbursements be increased by \$32,371,000 ongoing. It is also requested that Item 4300-101-0890 be decreased by \$132,000 ongoing. These adjustments reflect updated expenditure estimates in operations and purchase of services driven by caseload and utilization. In addition to adjustments based on caseload and utilization, 2023-24 expenditure estimates also align with proposed changes in the federal Home and Community-Based Services Spending Plan.

Language Only—It is requested that Provision 2 of Item 4300-101-0001 be amended to change General Fund loan authority from \$1,038,350,000 to \$1,044,669,000 to reflect revised estimates regarding federal reimbursements (see Attachment 4).

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 Christopher Odneal, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Corey Jackson, Chair, Assembly Budget Subcommittee No. 2
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
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Dr. Mark Ghaly, Secretary, Health and Human Services Agency
Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Debra Cooper, Assistant Secretary, 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
Steven Pavlov, Chief Financial Officer, Department of Developmental Services

4300-495—Reversion, State Department of Developmental Services. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made:

0001—General Fund

(1) \$20,000,000 in Item 4300-101-0001, Schedule (2), Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), for a training and internship program for individuals that provide direct services.

Add Provision 10 to Item 4300-001-0001 as follows:

10. Of the amount appropriated in Schedule (2) up to \$3,258,000 is allocated for project activities associated with the department's federal claims Reimbursement System Project. The expenditure of funds is contingent upon approval of the Iterative Project Report by the Department of Technology.

4300-490—Reappropriation, State Department of Developmental Services. 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, 2025:

0001—General Fund

- (1) \$5,000,000 in Item 4300-001-0001, Schedule (2), Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for activities related to the department's federal claims Reimbursement System Project.

Amend Provision 2 of Item 4300-101-0001 as follows:

- "2. A loan or loans shall be made available from the General Fund to the State Department of Developmental Services not to exceed a cumulative total of ~~\$1,038,350,000~~ \$1,044,669,000. The loan funds shall be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements from the Health Care Deposit Fund. All moneys so transferred shall be repaid as soon as sufficient reimbursements have been collected to meet immediate cash needs and in installments as reimbursements accumulate if the loan is outstanding for more than one year."

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4440-011-0001 and Addition of Item 4440-495, Support, Department of State Hospitals

Data Compliance (Issue 051)—It is requested that Item 4440-011-0001 be increased by 8 positions in fiscal year 2024-25 and ongoing to support data leadership structure, data operation, and data compliance. The requested resources will enable the department to make greater data insights to better inform decision making for the provision of psychiatric treatment across an integrated behavioral health system.

Workman's Compensation Adjustment (Issue 053)—It is requested that Item 4440-011-0001 be increased by 7 positions in 2024-25 and ongoing to address the sustained increase in workers' compensation workload.

SB 1034 Increased Workload (SVP) (Issue 054)—It is requested that Item 4440-011-0001 be increased by 10 positions in 2024-25 and ongoing to support increased workload for the department and its contracted Forensic Conditional Release Program (CONREP) Sexually Violent Predator (SVP) provider resulting from the passage of SB 1034 (Chapter 880, Statutes of 2022).

Mission-Based Review – Treatment Team (Issue 064)—It is requested that Item 4440-011-0001 be decreased by \$3,118,000 in 2023-24 one-time to reflect delays in hiring. It is also requested that Item 4440-011-0001 be decreased by \$8,156,000 in 2024-25 until 2027-28. Shifting these dollars and positions back in the schedule as proposed is consistent with the projected time on when these resources will likely be used. Regular updates will be provided through the estimates process.

Patient Driven Operating Funding (Issue 067)—It is requested that Item 4440-011-0001 be decreased by \$1,622,000 in 2023-24 one-time and \$632,000 in 2024-25 and ongoing to reflect updated patient census projections.

Incompetent to Stand Trial (IST) Solutions (Issue 068)—It is requested that Item 4440-011-0001 be decreased by \$73.3 million in 2023-24 one-time and \$49.9 million in 2024-25 one-time to reflect activation delays in Jail-Based Competency Treatment and Community Based Restoration/Diversion programs, as well as county stakeholder contracts not executed.

Allocation for Employee Compensation (Issue 075)—It is requested that Item 4440-011-0001 be increased by \$108,000 in 2023-24 and \$145,000 in 2024-25 and ongoing to reflect revised employee compensation costs.

Allocation for Staff Benefits (Issue 076)—It is requested that Item 4440-011-0001 be increased by \$9,000 in 2023-24 and \$11,000 in 2024-25 and ongoing to reflect revised employee compensation costs.

Enhanced Treatment Program Staffing (Issue 063)—It is requested that Item 4440-011-0001 be decreased by \$281,000 in 2023-24 one-time to reflect unit activation delay due to delayed construction schedule.

Mission-Based Review – Direct Care Nursing (Issue 065)—It is requested that Item 4440-011-0001 be decreased by \$3,584,000 in 2023-24 one-time to reflect delays in hiring.

DSH-Metropolitan Increased Secure Bed Capacity (Issue 086)—It is requested that Item 4440-011-0001 be decreased by \$3,901,000 in 2023-24 one-time to reflect delays in completing the Skilled Nursing Facility building roof.

CONREP Non-SVP (Issue 066)—It is requested that Item 4440-011-0001 be decreased by \$2,647,000 in 2023-24 one-time to reflect ongoing challenges with hiring clinical staff for the programs.

Electronic Health Record Reversion (Issue 073)—It is requested that Item 4440-495 be added, along with Provision 1, to revert \$7,219,000 from Item 4440-011-0001 of the 2023 Budget Act due to updated project timelines for Electronic Health Records implementation (see Attachment 1).

Mission Based Review (MBR) Treatment Team Reversion (Issue 070)—It is requested that Provision 3 be added to Item 4440-495 to revert \$6,552,000 from Item 4440-011-0001 of the 2021 Budget Act due updated implementation timelines for Mission Based Review Treatment Team staffing (see Attachment 1).

Health Care Provider Network (HCPN) Reversion (Issue 072)—It is requested that Provision 2 be added to Item 4440-495 to revert \$2,246,000 from Item 4440-011-0001 of the 2023 Budget Act related to a Health Care Provider Network (see Attachment 1).

Incompetent to Stand Trial Solutions (Issue 085)—It is requested that Item 4440-011-0001 be decreased by \$45 million in 2023-24 one-time to reflect updated implementation timelines for various IST Solutions initiatives. It is also requested that \$129,473,000 be shifted in Item 4440-011-0001 from 2025-26 to 2026-27. These funds have multiyear

authority under current law, and over time the substantial investments move consistent with updated program activities through the estimate process.

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 Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
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Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services
Darci Delgado, Assistant Secretary, Health and Human Services Agency
Stephanie Clendenin, Director, Department of State Hospitals
Chris Edens, Chief Deputy Director - Program Services, Department of State Hospitals
Brent Houser, Chief Deputy Director - Operations, Department of State Hospitals
Stephanie Chambers, Chief Financial Officer, Department of State Hospitals

4440-495—Reversion, State Department of State Hospitals. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Item 4440-011-0001, Budget Act of 2023 (Chs. 12 and 38, Stats. 2023), \$7,219,000 appropriated in Program 4400-Administration for Electronic Health Record Planning.

(2) Item 4440-011-0001, Budget Act of 2023 (Chs. 12 and 38, Stats. 2023), \$2,246,000 appropriated in Program 4400-Administration to support a Health Care Provider Network.

(3) Item 4440-011-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), \$6,552,000 as reappropriated by item 4440-490, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), Program 4400-Administration and 4410-State Hospitals for Mission Based Review office space.



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Items 4440-301-0001 and Item 4440-496, and Amendment to Item 4440-301-0660, Capital Outlay, Department of State Hospitals

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Metropolitan: Central Utility Plant Replacement—It is requested that Item 4440-301-0660 be amended in the amount of \$1,863,000 one-time and provisional language be added for the working drawings phase of this project (see Attachment 1). It is further requested that Item 4440-496 be added to revert \$1,863,000 General Fund of existing authority for the working drawings phase (see Attachment 2).

Included below is a remaining adjustment included in the May Revision:

Coalinga: New Activity Courtyard—It is requested that Item 4440-301-0001 be added in the amount of \$1,051,000 one-time for the construction phase of this project (see Attachment 3). The general contractor for the project was released in April 2024, and additional funding is necessary to address costs related to construction delays and to allow the project to be completed.

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 Randall Katz, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee
No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Brent Houser, Chief Deputy Director of Operations, Department of State Hospitals
Robert Horsley, Chief Operating Officer, Administrative Services Division,
Department of State Hospitals

Amend Item 4440-301-0660 as follows:

"4440-301-0660—For capital outlay, State Department of State Hospitals, payable from the Public Buildings Construction Fund..... ~~50,445,000~~ 52,308,000

Schedule:

(1) 0009434-Metropolitan: Central Utility Plant Replacement.....~~50,445,000~~ 52,308,000
 (a) Working drawings..... 1,863,000
 ~~(a)~~ (b) Construction..... 50,445,000"

Provisions:

1. The Department of State Hospitals, the Department of General Services, and the State Public Works Board are authorized to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale and issuance of bonds in accordance with the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code) or otherwise to effectuate the financing of the scheduled project.

2. The State Public Works Board is authorized to issue bonds in accordance with the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code) to finance the costs of the design and construction of the scheduled project. This includes costs for the preliminary plans, working drawings, construction, performance criteria, and design-build phases, as may be applicable to the scheduled project. The State Public Works Board may obtain an interim loan for the design and construction of the scheduled project pursuant to Sections 15849.1, 16312, and 16313 of the Government Code."

4440-496—Reversion, State Department of State Hospitals. As of June 30, 2024, the unencumbered balances of the appropriations provided in the following citations shall revert to the fund balances of the funds from which the appropriations were made.

0001—General Fund

(1) Item 4440-301-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023)

(1) 0009434-Metropolitan: Central Utility Plant Replacement
(a) Working drawings

4440-301-0001—For capital outlay, State Department of State Hospitals.....1,051,000

Schedule:

(1) 0000719-Coalinga: New Activity Courtyard.....1,051,000

(a) Construction 1,051,000

May 14, 2024

Honorable Scott Weiner, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Behavioral Health Transformation (Issue 004)—It is requested that Item 4560-001-3085 be increased by \$494,000 annually in fiscal years 2024-25 through 2026-27, and \$394,000 in fiscal year 2027-28 and ongoing, to support 3 permanent positions and workload related to the implementation of the behavioral health transformation efforts pursuant to Chapter 790, Statutes of 2023 (SB 326)/Proposition 1 of 2024.

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 Paula Fonacier Tang, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review Subcommittee
No. 3
Honorable Dr. Akilah Weber, Chair, Assembly Budget Subcommittee No. 1
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and
Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Brendan McCarthy, Deputy Secretary of Program and Fiscal Affairs, California Health
and Human Services Agency
Kimberly Chen, Assistant Secretary, California Health and Human Services Agency
Toby Ewing, Executive Director, Mental Health Services Oversight and Accountability
Commission
Kendra Zoller, Deputy Director of Legislative and External Affairs, Mental Health Services
Oversight and Accountability Commission
Norma Pate, Deputy Director of Administrative and Legislative Services, Mental Health
Services Oversight and Accountability Commission



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 4700-101-0001, Local Assistance, Department of Community Services and Development

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Lesbian, Gay, Bisexual, and Transgender Disparities Reduction Act: Chapter 832, Statutes of 2023 (AB 1163) (Issue 016)—It is requested that Item 4700-1010001 be increased by \$943,000 one-time to update intake systems to collect self-identification information pertaining to sexual orientation, gender identity, and intersexuality demographic data, including for various Community Services Block Grant subgrantees. See related Issue 059 in the Department of Aging Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, Issue 293 in the Department of Social Services Finance Letter, and Issue 317 in the Department of Public Health Finance Letter.

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 Christopher Odneal, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

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Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Debra Cooper, Assistant Secretary, Health and Human Services Agency
Jason Wimbley, Acting Director, Department of Community Services and
Development
Daphne Hunt, Deputy Director, Department of Community Services and
Development
Megan Rivers, Deputy Director, Department of Community Services and
Development
Rob McAndrews, Deputy Director, Department of Community Services and
Development
Chris Vail, Chief Financial Officer, Department of Community Services and
Development

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 4800-101-3381, Local Assistance, and Statutory Changes
California Health Benefit Exchange**

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Additional Health Care Affordability Reserve Fund Loan (Issue 021)—It is requested to loan \$62 million from the Health Care Affordability Reserve Fund to the General Fund in fiscal year 2024-25, under the authority of Control Section 13.40 from resources not required for currently projected operational or programmatic purposes.

Delay Repayment of Health Care Affordability Reserve Fund Loan (Issue 025)—It is requested that statutory changes be made to the loan authorized in Chapter 42, Statutes of 2023 (AB 118) of \$600 million to be repaid in increments of \$200 million over the fiscal years 2025-26, 2026-27, and 2027-28.

Partial Individual Mandate Penalty Transfer (Issue 026)—It is requested that \$109 million be transferred from the Health Care Affordability reserve fund starting in 2025-26 and ongoing. These are the receipts over and above the amount being retained to support the current level of spending.

Included below are the remaining adjustments included in the May Revision:

2025 Program Design Implementation (Language only) (Issue 022)—It is requested that Provision 2 of Item 4800-101-3381 be amended to include clarifying language for the 2025 coverage year program design implementation. This provision specifies that Covered California's 2025 coverage year program will provide cost-sharing reductions to individuals at or above 100 percent of the federal poverty level (See Attachment 1). This is a technical change to align the appropriation with the coverage year.

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 Joseph Donaldson, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

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Attention: Mark McKenzie, Staff Director
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Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Kimberly Chen, Assistant Secretary, Health and Human Services Agency
Jessica Altman, Executive Director, Covered California
Doug McKeever, Chief Deputy Executive Director, Covered California
Katie Ravel, Director, Covered California
Kelly Green, Director, Covered California

Amend Provision 2 of Item 4800-101-3381 as follows:

"2. Of the funds appropriated in Schedule (1), up to \$165,000,000 is available to support a program of financial assistance for coverage year 2025. Pursuant to Title 25 (commencing with Section 100800) of the Government Code and the program design adopted by the California Health Benefit Exchange in accordance with that title, the program shall provide cost-sharing reduction assistance during the 2025 coverage year to individuals with projected and actual household income at or above 100 percent of the federal poverty level."



May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Office of Employment First (Issue 023)—It is requested that Item 5160-001-0001 be increased by \$1 million and 3 permanent positions ongoing to reflect the shift of the Office of Employment First from the California Health and Human Services Agency to the Department of Rehabilitation (DOR). This is related to the California Health and Human Services Master Plan for Developmental Services to strengthen supports and opportunities for people with intellectual and developmental disabilities who access services across various systems. Establishing the Office of Employment First within DOR advances both the Master Plan for Career Education and for Developmental Services. See related Issue 051 in the California Health and Human Services Agency Finance Letter.

It is also requested that statutory changes be added for both this purpose and for the purpose of renaming DOR to the California Department of Disability Works, which aims to better reflect the services provided through the department for individuals with disabilities.

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 Christopher Odneal, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

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Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
Debra Cooper, Assistant Secretary, Health and Human Services Agency
Joe Xavier, Director, Department of Rehabilitation
Victor Duron, Chief Deputy Director, Department of Rehabilitation
David Kwan, Assistant Deputy Director, Department of Rehabilitation
Rowena Okada, Budget Officer, Department of Rehabilitation

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Items 5175-101-0890 and 5175-101-8004, Local Assistance,
Department of Child Support Services**

Local Assistance May Revision (Issue 020)—It is requested that Item 5175-101-0890 be decreased by \$1,501,000 ongoing to update federal fund local assistance expenditures based on additional child support collections data becoming available. It is estimated there will be a corresponding increase in collections received for the federal government's share of child support recoupment.

It is also requested that Item 5175-101-8004 (Child Support Collections Recovery Fund) be increased by \$1,501,000 ongoing to reflect an estimated increase in collections received for the federal government's share of child support recoupment based on updated child support collections information.

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 Christopher Odneal, Principal Program Budget Analyst, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

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Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
K. Jones, Assistant Secretary, Health and Human Services Agency
David Kilgore, Director, Department of Child Support Services
Kristen Donadee, Chief Deputy Director, Department of Child Support Services
Nan Chen, Chief Financial Officer, Department of Child Support Services

May 14, 2024

Honorable Scott D. Wiener, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments include the following:

Child Care Slot Expansion (Issue 255)—It is requested that Item 5180-101-0001 be decreased by \$488,956,000 beginning in fiscal year 2024-25 and ongoing to reflect a pause in the expansion of state-subsidized child care slots. It is also requested that Provision 24 be eliminated.

Child Care Emergency Child Care Bridge Program Expansion (Issue 256)—It is requested that Item 5180-101-0001 be decreased by \$25,845,000 in 2024-25 and ongoing and Item 5180-151-0001 be decreased by \$9 million in 2024-25 and ongoing for the Emergency Child Care Bridge Program Expansion.

Housing and Homelessness Programs (Issues 257, 269, and 271)—It is requested that Item 5180-492 be amended to eliminate language (see Attachment 1). It is also requested that Item 5180-495 be amended to reduce funding for the Home Safe Program, Bringing Families Home Program, and Housing and Disability Advocacy Program, respectively, which were appropriated in the 2022 Budget Act (see Attachment 2).

Minimum Nutrition Benefit Pilot (Issue 260)—It is requested that Item 5180-101-0001 be decreased by \$15 million one-time for the Minimum Nutrition Benefit Pilot.

Work Incentive Nutrition Supplement Program (Issue 261)—It is requested that Item 5180-101-0001 be decreased by \$25 million in 2025-26 and ongoing for the Work Incentive Nutrition Supplement Program. It is also requested that statutory changes be added for these purposes.

In-Home Supportive Services Permanent Backup Provider System (Issues 272 and 314)—It is requested that Item 5180-111-0001 be decreased by \$11,569,000 in 2024-25 and ongoing and reimbursements be decreased by \$13,822,000 in 2024-25 ongoing for the In-Home Supportive Services Permanent Backup Provider System. It is also requested that statutory changes be added for these purposes.

Adult Protective Services Training (Issues 275 and 316)—It is requested that Item 5180-151-0001 be decreased by \$4,769,000 in 2024-25 and ongoing and reimbursements be decreased by \$4,769,000 ongoing for Adult Protective Services Training.

Caregiver Approvals (Issue 278)—It is requested that Item 5180-151-0001 be decreased by \$50 million in 2024-25 and ongoing for processing of foster caregiver applications.

CalWORKs Home Visiting Program (Issue 286)—It is requested that Item 5180-101-0001 be decreased by \$47.1 million in 2024-25 and ongoing for the CalWORKs Home Visiting Program.

CalWORKs Mental Health and Substance Abuse Services (Issue 288)—It is requested that Item 5180-101-0001 be decreased by \$126.6 million in 2024-25 and ongoing for the CalWORKs Mental Health and Substance Abuse Services.

CalWORKs Single Allocation-Employment Services (Issue 294)—It is requested that Item 5180-101-0001 be decreased by \$272 million one-time in 2024-25 for the Employment Services portion of the CalWORKs Single Allocation.

In-Home Supportive Services for Undocumented Individuals (Issue 298)—It is requested that Item 5180-111-0001 be decreased by \$94,730,000 in 2024-25 and ongoing for In-Home Supportive Services for undocumented individuals. It is also requested that statutory changes be added for these purposes.

California Food Assistance Program Expansion (Issue 300)—It is requested that Item 5180-101-0001 be decreased by \$31.2 million one-time reflecting a two-year delay of the California Food Assistance Program Expansion.

Rapid Response (Issue 303)—It is requested that Item 5180-495 be amended to revert \$29 million for the Rapid Response funding in the 2023 Budget Act (see Attachment 2).

Adult Protective Services Expansion (Issues 304 and 315)—It is requested that Item 5180-151-0001 be decreased by \$40 million in 2024-25 and ongoing and reimbursements be decreased by \$5,714,000 ongoing for the prior expansion of Adult Protective Services.

The May Revision proposes the following adjustments to enable departments to implement recently chaptered legislation:

Daycare Facilities: Incidental Medical Services Plan, Chapter 631, Statutes of 2023 (SB 722) (Issue 044)—It is requested that Item 5180-001-0001 be increased by \$173,000 and 1 position in 2024-25, and by \$169,000 in 2025-26 and 2026-27 to implement the legislation.

Firearms in Family Child Care Homes, Chapter 249, Statutes of 2023 (SB 2) (Issue 047)—It is requested that Item 5180-001-0001 be increased by \$162,000 and 1 position in 2024-25, 2025-26, and 2026-27 to implement the legislation.

Paid Sick Leave Implementation: Chapter 309, Statutes of 2023 (SB 616) (Issue 270)—It is requested that Item 5180-111-0001 be increased by \$17,319,000 ongoing and reimbursements be increased by \$21,024,000 ongoing to implement the legislation.

Facility Management System (FMS) Project Planning Resources Reappropriation (Issue 281)—It is requested that Item 5180-492 be amended to reappropriate up to \$5 million from Item 5180-001-0001 of the 2021 Budget Act and up to \$3 million from Item 5180-001-0001 of the 2022 Budget Act to support planning efforts of the FMS project (see Attachment 1).

Juvenile Court - Dependents Removal: Chapter 618, Statutes of 2023 (SB 578) (Issue 283)—It is requested that Item 5180-151-0001 be increased by \$1,161,000 in 2024-25 and ongoing to implement the legislation.

Assuring Services for Family Reunification: Chapter 458, Statutes of 2023 (AB 937) (Issue 284)—It is requested that Item 5180-151-0001 be increased by \$933,000 in 2024-25 and ongoing to implement the legislation.

Childcare Dual Language Learners: Chapter 435, Statutes of 2023 (AB 393) (Issues 285 and 290)—It is requested that Item 5180-001-0001 be increased by \$764,000 and 4 positions in 2024-25 and \$742,000 and 4 positions ongoing beginning in 2025-26, and Item 5180-101-0001 be increased by \$297,000 ongoing to implement the legislation.

Lesbian, Gay, Bisexual, Transgender Disparities Reduction Act, Chapter 832, Statutes of 2023 (AB 1163) (Issue 293)—It is requested that Item 5180-141-0001 be increased by \$519,000 one-time in 2024-25 to implement the legislation. See related Issue 016 in the Department of Community Services and Development Finance Letter, Issue 059 in the Department of Aging Finance Letter, Issue 282 in the Department of Health Care Services Finance Letter, and Issue 317 in the Department of Public Health Finance Letter.

Cal-Learn Pregnancy or Parenting, Chapter 615, Statutes of 2023 (SB 521) (Issue 296)—It is requested that Item 5180-141-0001 be increased by \$294,000 one-time to implement the legislation.

Cal-Learn Sanctioned Grants Repeal, Chapter 615, Statutes of 2023 (SB 521) (Issue 297)—It is requested that Item 5180-101-0001 be increased by \$18,000 in 2024-25 and \$37,000 in 2025-26 and ongoing to implement the legislation.

Family Reunification Services for Financial Hardship Noncompliance: Chapter 552, Statutes of 2023 (AB 954) (Issue 307)—It is requested that Item 5180-151-0001 be increased by \$1,866,000 ongoing. It is also requested that Item 5180-151-0890 be increased by \$673,000 ongoing.

Pupil Meals, Chapter 600, Statutes of 2023 (SB 348) (Issue 308)—It is requested that Item 5180-001-0001 be increased by \$907,000 in 2024-25 and \$883,000 in 2025-26 and ongoing to implement the legislation.

Refugee Internet Resources, Chapter 399, Statutes of 2023 (SB 465) (Issue 311)—It is requested that Item 5180-151-0001 be increased by \$82,000 in 2023-24 to implement the legislation.

Elderly and Dependent Adult Abuse - Mandated Reporting: Chapter 580, Statutes of 2023 (AB 1417) (Issues 313)—It is requested that Item 5180-001-0001 be increased by \$173,000 in 2024-25 and \$169,000 in 2025-26 on a limited-term basis to implement the legislation.

Included below are the remaining adjustments included in the May Revision:

Support

Maintenance of County Expense Claim Reporting Information System (Issue 188)—It is requested that Item 5180-001-0001 be increased by \$730,000 and 4 positions in 2024-25 and \$533,000 and 4 positions in 2025-26 and ongoing to continue maintenance and operations activities for the County Expense Claim Reporting Information System. It is also requested that Item 5180-001-0890 be increased by \$183,000 in 2024-25 and \$356,000 in 2025-26 and ongoing for this purpose.

Summer EBT (Issue 198)—It is requested that Item 5180-001-0001 be increased by \$1,253,000 in 2024-25, \$1,234,000 in 2025-26 and ongoing to assist with program support for the Summer EBT program.

Child Welfare Training Program: Funding Shift from Local Assistance to State Operations (Issue 203)—It is requested that Item 5180-001-0001 be increased by \$210,000 and 1.2 positions in 2024-25 and \$205,000 and 1.2 positions in 2025-26 and ongoing, to continue to support statewide coordination for the Child Welfare Training Program in compliance with federal requirements. It is also requested that Item 5180-001-0890 be increased by \$142,000 in 2024-25 and \$139,000 in 2025-26 and ongoing, and 0.8 positions, for this purpose. These adjustments reflect a net-zero shift of existing funds for this program from local assistance to state operations (see Issue 302 below).

Guardian Background Check System Maintenance and Operations (Issue 208)—It is requested that Item 5180-001-0001 be increased by \$312,000 in 2024-25 and 2025-26, and \$612,000 in 2026-27, on a limited-term basis, for increased maintenance and operations costs for the existing Guardian Background Check System.

Preschool Development Grant Reimbursement Authority (Issue 211)—It is requested that Item 5180-001-0890 be increased by \$328,000 one-time to allow the Department of Social Services to assist the California Health and Human Services Agency with the administration of the Preschool Development Grant, which is described in Issue 037 of the California Health and Human Services Agency Letter. Additionally, it is requested that provisional language be added to allow the Department of Finance to adjust expenditure authority to Schedule (1) for future Preschool Development Grant awards (see Attachment 3).

Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity—It is requested that provisional language be added to Item 5180-001-0001 to allow the Department of Finance to augment this item for costs associated with participation in the FRA Pilot no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chair of the Joint Legislative Budget Committee if the State of California is selected for participation the work outcomes pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act (see Attachment 4).

Provisional Language Only: Able-Bodied Adult Without Dependents Rule—It is requested that provisional language be added to Items 5180-001-0001 and 5180-001-0890 to allow the Department of Finance to increase expenditure authority in this item up to \$250,000 to comply with the federal Able-Bodied Adult Without Dependents rule if State Operations resources are necessary (see Attachments 3 and 4).

Local Assistance

May Revision Caseload Adjustments (Issues 219, 220, 221, 222, 223, 252, 291, 301, 305, 309, and 310)—The May Revision proposes a net ongoing increase of \$1,960,607,000 in 2024-25 that primarily result from updated caseload estimates since the Governor's Budget, composed of a \$755,188,000 Fund ongoing decrease to General Fund, a \$1,961,819,000 ongoing increase to federal funds, a \$27,000 ongoing decrease to special funds, and a \$754,003,000 ongoing increase to reimbursements. Realigned programs are displayed for the purpose of federal fund and other technical adjustments. Caseload and workload changes since the Governor's Budget are displayed in the following table:

Program	Item	Change from Governor's Budget
California Work Opportunity and Responsibility to Kids (CalWORKs)	5180-101-0001	(799,802,000)
	5180-101-0890	665,010,000
Child Care	5180-101-0001	(159,450,000)
	5180-101-0890	126,527,000
	5180-104-0001	(368,000)
	Reimbursements	2,442,000
Kinship Guardianship Assistance Payment	5180-101-0001	(145,000)
Supplemental Security Income/State Supplementary Payment (SSI/SSP)	5180-111-0001	(31,357,000)
In-Home Supportive Services (IHSS)	5180-111-0001	104,445,000
	Reimbursements	723,748,000
Other Assistance Payments	5180-101-0001	76,926,000
	5180-101-0122	(27,000)
	5180-101-0890	1,034,869,000
	5180-101-8075	-
	Reimbursements	-
County Administration and Automation Projects	5180-141-0001	50,152,000
	5180-141-0890	34,467,000
	Reimbursements	25,968,000
Child Welfare Services	5180-151-0001	3,612,000
	5180-151-0890	21,320,000
Special Programs	5180-151-0001	799,000
Adult Protective Services	Reimbursements	81,000
Realigned Programs		
Adoption	5180-101-0001	-
	5180-101-0890	81,242,000
Foster Care	5180-101-0001	-
	5180-101-0890	(4,140,000)
	5180-141-0890	3,515,000
Child Welfare Services	5180-151-0001	-
	5180-151-0890	(991,000)
	Reimbursements	1,559,000
Adult Protective Services	Reimbursements	205,000

It is requested that provisional language be amended in Item 5180-101-0001 to reflect an update for the statutorily-required cost-of-living adjustment for the Child and Adult Care Food Program from 0.76 percent to 1.07 percent (see Attachment 5). In addition to caseload adjustments, 2023-24 expenditure estimates also align with proposed changes in the federal Home and Community-Based Services (HCBS) Spending Plan.

CalWORKs AB 85 Maximum Aid Payment Increase (Issue 219)—It is requested that Item 5180-101-0001 be increased by \$12,522,000 ongoing to reflect a 0.3-percent increase to the CalWORKs Maximum Aid Payment levels. The increased grant costs are funded entirely by 1991 Realignment revenue in the Child Poverty and Family Supplemental Support Subaccount.

Elimination of Comparable Disqualification (Issue 224)—It is requested that Item 5180-101-0001 be Increased by \$80,000 in 2024-25 and ongoing and Item 5180-141-0001 be decreased by \$206,000 in 2024-25 and ongoing, and Item 5180-141-0890 be decreased by \$308,000 in 2024-25 and ongoing as a result of the elimination of Welfare-to-Work comparable disqualification to align the California Food Assistance Program and CalFresh policy.

Federal Reporting and Communication Requirements with National Center for Missing and Exploited Children (Issue 225)—It is requested that Item 5180-151-0001 be increased by \$432,000 ongoing for additional workload for county child welfare agencies and probation departments to comply with additional federal reporting and communication requirements when reporting missing youth. It is also requested that Item 5180-151-0890 be increased by \$311,000 ongoing for this purpose. It is also requested that statutory changes be added for these purposes.

Los Angeles County Child Welfare Stabilization (Issue 244)—It is requested that Item 5180-495 be amended to eliminate a reversion proposed at Governor's Budget which is no longer feasible (see Attachment 2).

Child Care General Fund Offset (Issue 276)—It is requested that Item 5180-101-0001 be decreased by \$596,802,000 in 2023-24 and \$375,514,000 in 2024-25, and a one-time increase of \$375,514,000 in 2024-25 for reimbursements. These projected savings are based on use of other available fund balances.

Child Welfare Training Program: Funding Shift from Local Assistance to State Operations (Issue 302)—It is requested that Item 5180-151-0001 be decreased by \$210,000 in 2024-25 and \$205,000 in 2025-26 and ongoing to shift funds to state operations to continue to support statewide coordination for the Child Welfare Training Program in compliance with federal requirements. It is also requested that Item 5180-151-0890 be decreased by \$142,000 in 2024-25 and \$139,000 in 2025-26 and ongoing for the same purpose. These adjustments reflect a net-zero shift of existing funds for this program from local assistance to state operations (see issue 203 above).

Foster Care Rate Reform Automation (Issue 306)—It is requested that Item 5180-141-0001 be increased by \$2,465,000 one-time to update foster care rate reform automation costs proposed at Governor's Budget.

Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Reappropriation—It is requested that Item 5180-494 be amended to reappropriate up to \$2,657,000 General Fund for an additional year for workforce training and county readiness activities to support implementation of Child and Family Teams for family maintenance cases associated with the implementation of BH-CONNECT (see Attachment 6).

Provisional Language Only: Family First Prevention Services Reappropriation—It is requested that Item 5180-493 be amended to reflect a technical change to correct the item number for the State Block Grant in support of the Family First Prevention Services Act (see Attachment 7).

Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity—It is requested that provisional language be added to Item 5180-101-0001 to allow the Department of Finance to increase expenditure authority in this item up to \$2.4 million to implement the Fiscal Responsibility Act Pilot (Federal H.R. 3746) if California is selected to participate in the FRA pilot (see Attachment 5).

Provisional Language Only: Fiscal Responsibility Act (FRA) Alternative Accountability Pilot Opportunity—It is requested that provisional language be added to Item 5180-141-0001 to allow the Department of Finance to augment this item for costs associated with participation in the FRA pilot upon selection of the State of California for participation in the pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act (see Attachment 8).

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 Gabrielle Santoro, Aanam Khan, or Kia Cha, Principal Program Budget Analysts, at (916) 445-6423.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anna M. Caballero, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review
Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Corey Jackson, Chair, Assembly Budget Subcommittee No. 2
Honorable Caroline Menjivar, Chair, Senate Budget and Fiscal Review
Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Jason Sisney, Assembly Speaker's Office
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Katja Townsend, Capitol Director, Assembly Republican Leader's Office
Mark Ghaly, Secretary, California Health and Human Services Agency
Marko Mijic, Undersecretary, Health and Human Services Agency
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency
K. Jones, Assistant Secretary, Health and Human Services Agency
Kim Johnson, Director, Department of Social Services
Claire Ramsey, Chief Deputy Director, Department of Social Services
Jennifer Troia, Chief Deputy Director, Department of Social Services
Marcela Ruiz, Chief Deputy Director, Department of Social Services
Juliana Vignalats, Acting Chief Operating Officer, Department of Social Services
Yang Lee, Chief Financial Officer, Department of Social Services
Nathan Hart, Budget Bureau Chief, Department of Social Services

Amend Item 5180-492 as follows:

"5180-492—Reappropriation, State Department of Social Services. The amount specified in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure until June 30, 2026:

0001—General Fund

~~(1) \$80,000,000 of the amount appropriated in Schedule (1) of Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Bringing Families Home Program.~~

~~(2) \$65,000,000 of the amount appropriated in Schedule (1) of Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Home Safe Program.~~

~~(3) \$50,000,000 of the amount appropriated in Schedule (2) of Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) for the Housing and Disability Advocacy Program.~~

(4) Up to \$5,000,000 of the amount appropriated in Schedule (2) of Item 5180-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), to support planning efforts of the Facility Management System Project.

(5) Up to \$3,000,000 of the amount appropriated in Schedule (2) of Item 5180-001-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022), to support planning efforts of the Facility Management System Project."

Amend Item 5180-495 as follows:

“5180-495—Reversion, State Department of Social Services. As of June 30, 2024, the balances specified below, of the appropriations provided in the following citations shall revert to the balances in the funds from which the appropriations were made.

0001—General Fund

(1) Item 5180-101-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$336,600,000 appropriated in Program 4270010-CalWORKs for CalWORKs Single Allocation.

(2) Item 5180-101-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$40,800,000 appropriated in Program 4270010-CalWORKs for CalWORKs Single Allocation.

(3) Item 5180-101-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$54,960,000 appropriated in Program 4270010-CalWORKs for CalWORKs Family Stabilization.

(4) Item 5180-101-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$134,100,000 appropriated in Program 4270010-CalWORKs for CalWORKs: Expanded Subsidized Employment.

~~(5.) Item 5180-151-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$100,000,000 appropriated in Program 4275019-Children and Adult Services and Licensing for Los Angeles County Child Welfare Stabilization.~~

(6) Item 5180-151-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$5,200,000 appropriated in Program 4275028-Special Programs for CSU Immigration Legal Services Fund.

(7) Item 5180-151-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023). \$10,000,000 appropriated in 4275028-Special Programs for Temporary Protected Status Immigration Services.

(8) Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). \$65,000,000 appropriated in Program 4275019—Children and Adult Services and Licensing for the Home Safe Program.

(9) Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$80,000,000 appropriated in Program 4275019—Children and Adult Services and
Licensing for the Bringing Families Home Program.

(10) Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022).
\$50,000,000 appropriated in Program 4725028—Special Programs and for the Housing
and Disability Advocacy Program.

(11) Item 5180-151-0001, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022) as
reappropriated by Item 5180-496, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).
\$29,000,000 in Program 4725028—Special Programs for the Rapid Response Program."

Add the following provisions to Item 5180-001-0890 as follows:

4. The Department of Finance may increase expenditure authority in this item up to \$250,000 to comply with the federal Able-Bodied Adult Without Dependents rule.

5. Notwithstanding any other law, upon selection of the State of California, the Department of Finance may augment this item in Schedule (1) for future annual expenditure authority to expend funding awarded through the Preschool Development Grant, no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

Add the following provisions to Item 5180-001-0001 as follows:

12. The Department of Finance may increase expenditure authority in this item up to \$250,000 to comply with the federal Able-Bodied Adult Without Dependents rule.

13. Notwithstanding any other law, upon selection of the State of California for participation the work outcomes pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act, the Department of Finance may augment this item for costs associated with participation in the pilot no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.

Amend Provisions 12, 13, and 14 of Item 5180-101-0001 as follows:

"12. Of the funds appropriated in Schedule (3), ~~\$1,759,492,000~~ \$1,300,953,000 shall be allocated for Alternative Payment Program, General Child Care and Migrant Child Care slots to expand child care access, with a priority for General Child Care slots serving children who are 0 to 3 years of age.

13. (a) Funds allocated for Resource and Referral, California Child Care Initiative, Quality Improvement, and Local Planning Councils shall be allocated to meet federal requirements to improve the quality of child care and shall be used in accordance with the approved California State Plan for the federal Child Care and Development Fund that is developed pursuant to the requirements of Section 10211.5 of the Welfare and Institutions Code.

(b) Notwithstanding any other law, funds in accounts payable are available for alternative payment programs for actual and allowable costs incurred for additional services, pursuant to Section 10228.1 of the Welfare and Institutions Code. The State Department of Social Services shall give priority for the allocation of these funds for accounts payable.

(c) (1) The State Department of Social Services shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need.

(2) Notwithstanding any other law or any other provision of this act, the Department of Finance may augment the appropriation for CalWORKs Stage 3 if the estimate of expenditures, as determined by the Department of Finance, will exceed the expenditures authorized in Schedule (3). The Department of Finance shall report any augmentation pursuant to this paragraph to the Joint Legislative Budget Committee. At the time the report is made, the amount of the appropriation made in Schedule (3) shall be increased by the amount of the augmentation.

(3) An augmentation may be authorized not sooner than 30 days after notification in writing of the necessity to exceed the limitations is provided to the Joint Legislative Budget Committee, or whatever lesser time the chairperson of the joint committee may determine. Any request made by the State Department of Social Services to augment the CalWORKs Stage 3 appropriation shall be approved only in order to cover increases in costs that are consistent with assumptions of this act. This provision shall not be construed to treat Stage 3 as an entitlement.

(d) Notwithstanding any other law, the funds in Schedule (3) are reserved exclusively for continuing child care for the following families:

(1) Former CalWORKs families who are working, have left cash aid, and have exhausted their two-year eligibility for transitional services in either Stage 1 or Stage 2 pursuant to subdivision (c) of Section 10371 or Section 10372 of the Welfare and Institutions Code, respectively, but still meet eligibility requirements for receipt of subsidized childcare services.

(2) Families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized childcare services.

(e) Notwithstanding any other law, each local planning council receiving funds appropriated in Schedule (3) shall meet the requirements of Section 10486 of the Welfare and Institutions Code to the extent feasible and to the extent data is readily accessible.

(f) (1) Notwithstanding any other law, families shall be disenrolled from subsidized childcare services consistent with the priorities for services specified in subdivision (b) of Section 10271 of the Welfare and Institutions Code. Families shall be disenrolled in the following order:

(A) Families with the highest income below 85 percent of the State Median Income (SMI) adjusted for family size.

(B) Of families with the same income level, those that have been receiving childcare services for the longest period of time.

(C) Of families with the same income level, those that have a child with exceptional needs.

(D) Families with children who are receiving child protective services or are at risk of being neglected or abused, regardless of family income.

(2) Notwithstanding any other law, the implementation of paragraph (1) of this subdivision is not subject to the appeal and resolution procedures for agencies that contract with the State Department of Social Services for the provision of childcare services or the due process requirements afforded to families that are denied services specified in Chapter 19 (commencing with Section 18000) of Division 1 of Title 5 of the California Code of Regulations.

(3) The reimbursement for meals served in child care centers and homes shall be ~~\$0.2153~~ \$0.2160 per meal.

14. Of the amount appropriated in Schedule (3), up to ~~\$8,551,000~~ \$8,768,000 shall be available for the child nutrition program state match for the program."

Add Provision 25 to Item 5180-101-0001 as follows:

25. (a) The Department of Finance may increase expenditure authority in this item up to \$2,400,000 to implement the Fiscal Responsibility Act Pilot (Federal H.R. 3746.)

(b) The Department of Finance may authorize the transfer of funds from Schedule (1) of this item to Schedule (1), Program 4270037, of Item 5180-141-0001, County Administration and Automation Projects.

Amend Item 5180-494 as follows:

“5180-494—Reappropriation, State Department of Social Services. The amounts 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, 2025:

0001—General Fund

(1) Up to \$190,000,000 of the amount appropriated in Schedule (1) of Item 5180-101-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the CalWORKs Housing Support Program.

(2) Up to \$92,500,000 of the amount appropriated in Schedule (1) of Item 5180-151-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Bringing Families Home Program.

(3) Up to \$92,500,000 of the amount appropriated in Schedule (1) of Item 5180-151-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Home Safe Program.

(4) Up to \$150,000,000 of the amount appropriated in Schedule (2) of Item 5180-151-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the Housing and Disability Advocacy Program.

(5) Up to \$2,657,000 of the amount appropriated in Schedule (1) Item 5180-151-0001, Budget Act of 2023 (Chs.12, 38, and 189, Stats. 2023), for Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment.”

Amend Item 5180-493 as follows:

"5180-493—Reappropriation, State Department of Social Services. The amount specified in the following citation is reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2028:

0001—General Fund

(1) Up to \$222,446,000 of the amount appropriated in Schedule (1) of Item ~~5180-001-0001~~ 5180-151-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021) for the State Block Grant in support of the Family First Prevention Services Act."

Amend Provision 11 to Item 5180-141-0001 as follows:

"11. The Department of Finance may authorize the transfer of amounts in this item to Item 5180-001-0001 in order to fund the costs of administration and implementation of the ~~Summer Electronic Benefit Transfer program~~ SUN Bucks California established pursuant to Section 1762 of Title 42 of the United States Code."

Add Provision 12 to Item 5180-141-0001 as follows:

12. Notwithstanding any other law, upon selection of the State of California for participation the work outcomes pilot pursuant to section 302 of H.R. 3746, the Fiscal Responsibility Act, the Department of Finance may augment this item for costs associated with participation in the pilot no sooner than 30 days after notification in writing is provided to the chairpersons of the fiscal committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.