



APR - 1 2015

Honorable Mark Leno, Chair
Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Shirley Weber, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 4140-101-0143, Local Assistance, Office of Statewide Health Planning and Development

Health Workforce Development Programs (Issue 100-A1)—It is requested that provisional language be added to Item 4140-101-0143 to provide the Office of Statewide Health Planning and Development (OSHPD) with authority to transfer funds between this item and Item 4140-001-0143 as it pertains to the administration of grants from non-state entities.

Item 4140-101-0143 is for the support of locally administered activities and includes grants received from the California Endowment (Endowment). Beginning in fiscal year 2013-14, the Endowment committed \$52 million over four years into OSHPD healthcare workforce development programs. The grant agreement includes the provision to evaluate program priorities each year consistent with the goals of OSHPD and the Endowment to train and increase the healthcare workforce. According to annual program priorities, some funds may be transferred to support programs funded at the state level such as the Rotations in Community Health Program and the California Post-Baccalaureate Program.

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 Maricris Acon, Principal Program Budget Analyst, at (916) 445-6423.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Ricardo Lara, Chair, Senate Appropriations Committee
Attention: Mr. Mark McKenzie, Staff Director
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Mr. Seren Taylor, Staff Director
Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
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Honorable Holly J. Mitchell, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Kiyomi Burchill, Deputy Secretary for Legislative Affairs, Health and Human Services Agency
Ms. Fran Mueller, Chief Deputy Director, Office of Statewide Health Planning and Development
Mr. James Cortes, Acting Deputy Director, Administrative Services Division, Office of Statewide
Health Planning and Development
Ms. Pattye Nelson, Budget Manager, Office of Statewide Health Planning and Development

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ATTACHMENT 1

Add Provisional Language to Budget Bill Item 4140-101-0143:

X. The Department of Finance may authorize the transfer of expenditure authority between this item and Item 4140-001-0143 from the Office of Statewide Health Planning and Development, as it pertains to the administration of grants from non-state entities. Any transfer shall be consistent with the original intent of the grant regarding these resource transfers.



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Honorable Shirley Weber, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Item 4150-001-0933, and addition of Item 4150-001-0890,
Support, Department of Managed Health Care**

Chapter 573, Statutes of 2014 (SB 964): Annual Health Care Service Plans Timeliness Standards and Network Adequacy Reviews (Issue 100-A1)—It is requested that Item 4150-001-0933 be increased by \$3,802,000 and 25 positions for the implementation of SB 964. SB 964 requires the Department of Managed Health Care (DMHC) to annually review all full service and mental health plans networks for adequacy and compliance with timely access standards for the 45 health plans subject to reporting requirements, including Medi-Cal managed care plans. This funding will support 25 new permanent positions and a clinical consulting contract to enable DMHC to assess the health plans' compliance with the law.

Health Premium Rate Review Cycle IV Federal Grant (Issue 101-A1)—It is requested that Item 4150-001-0890 be added in the amount of \$589,000 to allow DMHC to procure actuarial consulting services and enhance its information technology infrastructure for purposes of its premium rate review program, consistent with the goals of the federal Health Insurance Rate Review Cycle IV grant. This funding will enable DMHC to assess the validity of premium rate increases more effectively, and make information on rates more widely available to the public. Provisional language is requested to allow the expenditure of funds after the Department of Technology provides project approval (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 Maricris Acon, Principal Program Budget Analyst, at (916) 445-6423.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Kiyomi Burchill, Deputy Secretary for Legislative Affairs, Health and Human Services Agency
Ms. Marta Green, Chief Deputy Director, Department of Managed Health Care
Ms. Sarah Ream, Acting Deputy Director-Office of Administrative Services, Department of
Managed Health Care
Ms. Michi Petric, Budget Officer, Department of Managed Health Care

Add Provisional Language to Budget Bill Item 4150-001-0890

- x. Notwithstanding any other provision of law, of the funds appropriated in this item, up to \$395,000 is available for the Premium Rate Review Cycle IV Website Enhancement Implementation costs, for expenditure or encumbrance until June 30, 2016. Funding provided pursuant to this provision shall be made available only upon approval of the Department of Finance and approval of a Feasibility Study Report (FSR) or an FSR Reporting Exempt Request by the Department of Technology.



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Honorable Shirley Weber, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

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

Medicare Improvements for Patients and Providers Act 2014 Grant (Issue 001-A1)—It is requested that Item 4170-001-0890 be increased by \$97,000 and Item 4170-101-0890 be increased by \$878,000 for the Department of Aging (Aging) to develop and maintain contracts for local agencies to utilize federal Medicare Improvements for Patients and Providers Act of 2014 grant funds over the next four state fiscal years. These grant funds will be used to provide outreach and assistance to low-income individuals through the Health Insurance Counseling and Advocacy Program.

Aging and Disability Resource Connection Program (Issue 002-A1)—It is requested that Item 4170-001-0001 be amended to increase reimbursements by \$330,000 and 2.5 positions to support the extension of 2.5 limited-term positions for the Aging and Disability Resource Connection (ADRC) program in Aging. Aging will use its existing federal grant funding along with federal Money-Follows-the-Person grant funds available from the Department of Health Care Services to support the program and has committed this funding to extend this program for five years. This proposal also includes funding in budget year 2015-16 from the State Independent Living Council to address ADRC activities that benefit veterans.

Supplemental Nutrition Assistance Program Education Program Extension (Issue 003-A1)—It is requested that Item 4170-001-0001 be amended by increasing reimbursements by \$302,000 and 1.8 positions and Item 4170-101-0001 be amended by increasing reimbursements by \$648,000 to support the extension of 1.8 limited-term positions and local area agencies on Aging. Aging will receive these funds through an interagency agreement with the Department of Social Services. The Supplemental Nutrition Assistance Program Education Program provides nutrition education and obesity prevention activities targeted to low-income adults aged 60 and older.

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 John Silva, Principal Program Budget Analyst, at (916) 445-6423.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Honorable Jimmy Gomez, Chair, Assembly Appropriations Committee
Attention: Mr. Pedro R. Reyes, Chief Consultant
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Honorable Holly J. Mitchell, Chair, Senate Budget and Fiscal Review Subcommittee No. 3
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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency
Ms. Kiyomi Burchill, Deputy Secretary, California Health and Human Services Agency
Ms. Lora Connolly, Director, California Department of Aging
Ms. Diane Paulsen, Chief Deputy Director, California Department of Aging



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Senate Budget and Fiscal Review Committee

Attention: Mr. Mark Ibele, Staff Director (2)

Honorable Shirley Weber, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

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

Ebola Emergency Preparedness (Issue 100-A1)—It is requested that Item 4265-001-0890 be increased by \$3,860,000 and Item 4265-111-0890 be increased by \$11,590,000 to reflect anticipated and known federal grant awards related to the Ebola virus. These funds will be used to support accelerated public health preparedness planning and operational readiness efforts to respond to the threat of the Ebola virus.

Biomonitoring Resources Technical Correction (Issue 101-A1)—It is requested that Item 4265-001-0557 be decreased by \$175,000 and that Item 4265-001-3114 be decreased by \$175,000 as a technical adjustment to properly align the Biomonitoring program's resources. The 2015-16 Governor's Budget requests \$1.5 million annually for two years to backfill a decreasing level of federal grant awards. Of the \$1.5 million, \$900,000 is allocated to the Department of Public Health and \$600,000 is allocated to the Department of Toxic Substances Control. However, the total amount requested in the 2015-16 Governor's Budget is overstated by \$700,000 (\$350,000 for each department).

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 Jamey Matalka, Principal Program Budget Analyst, at (916) 445-6423.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, Health and Human Services Agency
Ms. Janne Olson-Morgan, Assistant Secretary, Health and Human Services Agency
Dr. Karen Smith, Director and State Public Health Officer, Department of Public Health
Mr. Daniel Kim, Chief Deputy Director, Operations, Department of Public Health
Mr. Alan Lum, Deputy Director, Administration Division, Department of Public Health



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Honorable Shirley Weber, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

Amendment to Budget Bill Item 4440-301-0001, and Addition of Item 4440-497, Capital Outlay, Department of State Hospitals

Metropolitan State Hospital (MSH): Increased Secured Bed Capacity and Security Fence Project (Issue 908)—It is requested that Item 4440-301-0001 be increased by \$1,706,000 to add the working drawings phase to the MSH Increase Secured Bed Capacity and Security Fence project. This addition will increase the total funding request in fiscal year 2015-16 to \$3,636,000 General Fund for both preliminary plans and working drawings.

The addition of the working drawing phase will enable the Department of State Hospitals (DSH) to expedite the project schedule by one year. The project will add 505 secured treatment beds at MSH by building a security fence for the Skilled Nursing Facility and Continuing Treatment West buildings.

The composition of the patients served by DSH has changed greatly over time, with over 90 percent currently coming from the criminal justice system. Increased secured bed capacity will provide improved security for patients and staff and aid in reducing the current waitlist of Incompetent to Stand Trial patients awaiting placement at DSH.

Patton State Hospital (PSH): Upgrade Security Perimeter Fencing (Issue 909)—It is requested that Item 4440-497 (see Attachment 1) be added to revert the construction authority for the PSH Upgrade Security Fencing project. This reversion will result in a savings of \$14,517,000 General Fund, which was appropriated in the 2014 Budget Act.

This project was proposed to provide better perimeter sightlines and reduce the number of Department of Corrections and Rehabilitation staff required to provide perimeter security at this facility. However, the latest cost estimate prepared by the architectural firm indicates an additional \$12.5 million to \$13.5 million is needed for the construction phase because of various oversights. Given the significant increase in construction costs the scope and merit of the project needs to be reevaluated.

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 Koreen Hansen, Principal Program Budget Analyst, at (916) 445-9694.

MICHAEL COHEN
Director
By:

/s/ Keely M. Bosler

KEELY M. BOSLER
Chief Deputy Director

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Attention: Mr. Pedro R. Reyes, Chief Consultant
Honorable Melissa Melendez, Vice Chair, Assembly Budget Committee
Attention: Mr. Eric Swanson, Staff Director
Honorable Loni Hancock, Chair, Senate Budget and Fiscal Review Subcommittee No. 5
Honorable Tony Thurmond, Chair, Assembly Budget Subcommittee No. 1
Mr. Mac Taylor, Legislative Analyst (4)
Mr. Craig Cornett, Senate President pro Tempore's Office (2)
Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Ms. Pam Ahlin, Director, Department of State Hospitals
Mr. Robert Horsley, Chief, Facilities Planning and Asset Management, Department of State Hospitals

ATTACHMENT 1

4440-497—Reversion, Department of State Hospitals. As of June 30, 2015, 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 4440-301-0001, Budget Act of 2014 (Ch. 25, Stats. 2014)

(5) 55.45.315—Patton Security Perimeter
Fencing—Construction.... 14,517,000



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Honorable Shirley Weber, Chair
Assembly Budget Committee

Attention: Mr. Christian Griffith, Chief Consultant (2)

**Amendment to Budget Bill Items 5180-001-0001 and 5180-001-0890, Support,
Department of Social Services**

Implementing Child Victims of Human Trafficking Requirements (Issue 083-A1)—It is requested that Item 5180-001-0001 be increased by \$174,000 and 1.5 positions and Item 5180-001-0890 be increased by \$58,000 and .5 position to ensure compliance with state and federal requirements pertaining to child victims of human trafficking. Chapter 29, Statutes of 2014 (SB 855) established the county opt-in Commercially Sexually Exploited Children Program to provide prevention and intervention activities to child victims or at-risk children of commercial sexual exploitation. Additionally, recently approved federal law requires the state to develop policies and procedures for identifying, documenting, and determining appropriate services for child victims or children at risk of sex trafficking. The requested positions will support the required state activities.

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 John Silva, Principal Program Budget Analyst, at (916) 445-6423.

MICHAEL COHEN
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Mr. Christopher W. Woods, Assembly Speaker's Office (2)
Mr. Jim Richardson, Policy and Fiscal Director, Assembly Republican Leader's Office
Mr. Michael Wilkening, Undersecretary, California Health and Human Services Agency
Mr. John Wordlaw, Assistant Secretary, California Health and Human Services Agency
Ms. Monica Flowers, Budget Bureau Chief, Department of Social Services
Mr. Brian Dougherty, Chief, Financial Management and Contracts Branch, Department of Social Services