



**DEPARTMENT OF  
FINANCE**  
OFFICE OF THE DIRECTOR

**GAVIN NEWSOM - GOVERNOR**  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ [WWW.DOF.CA.GOV](http://WWW.DOF.CA.GOV)

May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Addition of Budget Bill Item 4140-101-3085, Local Assistance, Office of Statewide Health Planning and Development**

It is requested that Item 4140-101-3085 be added in the amount of \$100 million to implement the 2020-2025 Workforce Education and Training (WET) Five-Year Plan to address workforce shortages in the state's public mental health system. It is also requested that provisional language be added to allow the Department of Finance to authorize the transfer of expenditure authority specified in Provision 1 of Item 4140-001-3085 to administer the WET Program and make the funds available through June 30, 2026 (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 Jacob Lam, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Robert P. David, Director, Office of Statewide Health Planning and Development  
Ms. Fran Mueller, Chief Deputy Director, Office of Statewide Health Planning and Development  
Ms. Monica Erickson, Deputy Director, Office of Statewide Health Planning and Development  
Mr. C.J. Howard, Deputy Director, Office of Statewide Health Planning and Development

4140-101-3085—For local assistance, Office of Statewide Health Planning and Development,  
payable from the Mental Health Services Fund .....100,000,000

Schedule:

(1) 3835-Health Care Workforce.....100,000,000

Provisions:

1. Of the funds appropriated in Schedule (1), \$100,000,000 is available to implement the 2020-2025 Workforce Education and Training (WET) Five-Year Plan to address workforce shortages in the state's public mental health system. This amount is available for encumbrance or expenditure until June 30, 2026.
2. The Department of Finance may authorize the transfer of expenditure authority specified in Provision 1 of Item 4140-001-3085 to administer the Workforce Education and Training (WET) Program. Any amounts transferred shall be available for encumbrance or expenditure until June 30, 2026.



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Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 4170-102-0942, Local Assistance, Department of Aging**

It is requested that Item 4170-102-0942 be increased by \$1 million to provide additional one-time funding to local Long-Term Care Ombudsman programs, pursuant to Provisions 1 and 4 of Item 4265-002-0942, Budget Act of 2018.

The 2018 Budget Act includes provisional language that allows the Department of Finance to augment Item 4170-102-0942 by up to \$1 million if the fiscal year 2018-19 ending fund balance of the State Health Facilities Citation Penalties Account is projected to exceed \$6 million. The Department of Finance currently projects the 2018-19 ending fund balance to be approximately \$9.9 million.

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 Jay Kapoor, Assistant Program Budget Manager, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

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Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gomez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Marko Mijic, Deputy Secretary, Health and Human Services Agency  
Ms. Janne Olson-Morgan, Assistant Secretary, Health and Human Services Agency  
Ms. Fran Mueller, Acting Director, Department of Aging  
Mr. Mark Beckley, Acting Chief Deputy Director, Department of Aging  
Mr. Thomas Cameron, Deputy Director, Department of Aging



May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to and Addition of Various Budget Bill Items, Reimbursements, and Trailer Bill Language, Support and Local Assistance, Department of Health Care Services—Medi-Cal and Family Health**

**Support**

**Medi-Cal Eligibility Systems Staffing (Issue 400)**—It is requested that Item 4260-001-0001 be increased by \$910,000 and 4.5 positions and Item 4260-001-0890 be increased by \$2,058,000 and 8.5 positions to provide permanent and limited-term resources to continue oversight, support, and infrastructure stabilization initiatives of the California Healthcare Eligibility, Enrollment, and Retention System.

**California Medicaid Management Information Systems Oversight to Ownership and Modernization Projects (Issue 401)**—It is requested that Item 4260-001-0001 be increased by \$7,885,000 and 4 permanent positions and Item 4260-001-0890 be increased by \$34,401,000 and 7 permanent positions. It is also requested that Item 4260-491, as added by the April 1 Finance Letter, be amended to reappropriate \$7,385,000 of Item 4260-001-0001, Budget Act of 2018 (see Attachment 1). These resources are necessary to complete turnover and takeover of the Medi-Cal fiscal intermediary legacy contract, continue oversight to ownership management efforts, and continue modular modernization efforts.

**Substance Use Disorder Emerging Epidemics, Disaster Response, and Licensing Workload (Issue 402)**—It is requested that Item 4260-001-0001 be increased by \$100,000 and Item 4260-001-3113 be increased by \$1,060,000 and 7 permanent positions to address the increased workload associated with the opioid epidemic, responding to natural disasters, the rise in the number of treatment facilities, and for an interagency agreement with the Department of Public Health to migrate Department of Health Care Services' disaster collection and reporting process.

**State Verification Hub Planning Activities (Issue 405)**—It is requested that Item 4260-001-0001 be increased by \$78,000 and Item 4260-001-0890 be increased by \$77,000 on a two-year limited-term basis to support 1 position and consultant services to begin planning activities for a State Verification Hub to enhance eligibility verifications in public

assistance programs. See related issues in the California Health and Human Services Agency and Department of Social Services Finance Letters.

**Peer-Run Mental Health Crisis Lines (Issue 407)**—It is requested that Item 4260-001-3085 be increased by \$3.6 million to create a statewide peer-run mental health crisis line offering information, referrals, emotional support, and non-judgmental peer support to those living with mental illness.

### **Local Assistance**

The average monthly caseload for fiscal year 2019-20 is projected to be 13,009,800 beneficiaries, which represents a decrease of 210,300 beneficiaries from the Governor's Budget. The decrease in caseload is primarily attributable to a growing economy. Total Medi-Cal expenditures for 2019-20 are projected to be \$102,188,875,000 (\$23,018,406,000 General Fund) which is an increase of \$1,488,997,000 total funds and an increase of \$141,387,000 General Fund from the Governor's Budget.

**May 2019 Medi-Cal Estimate (Issue 401)**—It is requested that the adjustments below be made to the following items to reflect caseload and other miscellaneous adjustments outlined in the Medi-Cal estimate:

- Item 4260-101-0001 be increased by \$147,985,000, and reimbursements be increased by \$30,571,000
- Item 4260-101-0232 be increased by \$4,678,000
- Item 4260-101-0233 be increased by \$1,336,000
- Item 4260-101-0236 be increased by \$769,000
- Item 4260-101-0890 be increased by \$666,098,000
- Item 4260-101-3168 be increased by \$378,000
- Item 4260-102-0001 be increased by \$1,614,000
- Item 4260-102-0890 be decreased by \$722,000
- Item 4260-106-0890 be increased by \$4,480,000
- Item 4260-113-0001 be decreased by \$58,307,000
- Item 4260-113-0890 be increased by \$353,036,000
- Item 4260-117-0001 be increased by \$171,000
- Item 4260-117-0890 be increased by \$592,000

**Family Health May Revision Estimates (Issue 402)**—It is requested that Item 4260-111-0001 be decreased by \$2,993,000 and reimbursements be increased by \$1,000. It is also requested that Item 4260-114-0001 be decreased by \$3,824,000. These changes reflect revised expenditures due to caseload and other miscellaneous adjustments outlined in the Family Health Estimate.

**Title XXI (CHIP) Federal Funds Repayment**—It is requested that provisional language be added to Item 4260-101-0001 to allow for an augmentation of up to \$479,557,000 General Fund for repayment of over-claimed Title XXI federal funds related to the Non-Optional Targeted Low Income Children's Program population of the Medicaid Program (see Attachment 2).

**Proposition 56 Investments (Issue 403)**—It is requested that Item 4260-101-3305 be decreased by \$180,216,000. This is the net decrease reflecting shifting expenditures for the Value-Based Payments Program to Item 4260-103-3305, which is offset by increases to fund

provider training for trauma screenings, restoration of the optical benefit and optical lab services for adult beneficiaries in the Medi-Cal program, no sooner than January 1, 2020, and revised spending for the Governor's Budget Proposition 56 package. It is also requested that provisional language in Item 4260-101-3305 be amended to reflect these adjustments (see Attachment 3).

**Proposition 56 Medi-Cal Physician and Dentist Loan Repayment Program**—It is requested that Item 4260-102-3305 be added in the amount of \$120 million to reflect additional funding for the Proposition 56 Medi-Cal Physician and Dentist Loan Repayment Program. It is also requested that provisional language be added to this item to specify allocations to physicians and dentists and the availability of the funding until June 30, 2029 (see Attachment 4).

**Value-Based Payments Program**—It is requested that Item 4260-103-3305 be added in the amount of \$250 million for the Value-Based Payments program. It is also requested that provisional language be added to specify \$70 million of this funding be used for behavioral health integration and the availability of the funding until June 30, 2022 (see Attachment 5).

**Full-Scope Coverage for Undocumented Young Adults 19-25 (Issue 407)**—It is requested that Item 4260-101-0001 be decreased by \$121,863,000 and Item 4260-101-0890 be decreased by \$39,773,000 to reflect revised costs of expanding full-scope Medi-Cal expansion to undocumented young adults.

**Medi-Cal Drug Rebate Fund Reserve (Issue 409)**—It is requested that Item 4260-101-0001 be increased by \$172 million to maintain a reserve of the equivalent amount in the Medi-Cal Drug Rebate Fund. The reserve is intended to alleviate the General Fund impact related to drug rebate volatility.

**Non-Whole Person Care Counties (Issue 450)**—It is requested that Item 4260-115-3085 be added in the amount of \$20 million to provide funding to counties for their development and implementation of programs to focus on coordinating health, behavioral health (including mental health and substance use disorder), and social services such as housing with priority to individuals with mental illness, who are also homeless, or at risk of becoming homeless. These funds would be available until June 30, 2025 (see Attachment 6).

**Various Reappropriations (BBA Issue 313)**—It is requested that Item 4260-491 be amended to reappropriate \$7,385,000 in Item 4260-001-0001, Budget Act of 2018 included in state operations Issue 401, and up to \$808,000 in Item 4260-001-0001, Budget Act of 2018 for continued planning costs of the Comprehensive Behavioral Health Data Systems as reflected in the April 1 Finance Letter. It is also requested that the expenditure authority for the \$220 million appropriated in the 2018 Budget Act be extended until June 30, 2029 for the Proposition 56 Medi-Cal Physician and Dentist Loan Repayment Program (see Attachment 1).

### **Trailer Bill Language**

**Extension of the Health Home Program Funding**—Amendments to trailer bill language proposed at Governor's Budget are requested to extend the sunset date for the Health Homes Program to June 30, 2024 to align with the revised program implementation timeline.

**Adjustments to Redirection of Realignment**—Amendments to trailer bill language proposed at Governor's Budget are requested to reflect changes to the redirection of realignment revenue pursuant to Chapter 24, Statutes of 2013 (AB 85). Specifically, amendments are requested to reflect Yolo as a County Medical Services Program county, align the change in redirection with



the timing of the implementation of the young undocumented adult expansion, and withhold realignment revenues from the County Medical Services Program Board until total projected reserves reach a reasonable level, at which point the Board's health realignment redirection will be reflected as 75 percent.

**Managed Care Sanctions**—Trailer bill language is requested to clarify existing language on the Department's sanction authority over Managed Care, Mental Health, and Substance Use Disorder plans.

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

If you have any questions or need additional information regarding this matter, please call Laura Ayala, Jacob Lam, or Guadalupe Manriquez, Principal Program Budget Analysts, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

Attachment

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Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
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Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Michelle Baass, Undersecretary, California Health and Human Services Agency  
Mr. Marko Mijic, Acting Deputy Secretary, California Health and Human Services Agency  
Mr. Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency  
Ms. Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Ms. Jennifer Kent, Director, Department of Health Care Services  
Ms. Mari Cantwell, Chief Deputy Director, Department of Health Care Services  
Ms. Erika Sperbeck, Chief Deputy Director, Department of Health Care Services  
Mr. Bruce Lim, Deputy Director, Department of Health Care Services  
Ms. Sarah Brooks, Deputy Director, Department of Health Care Services  
Ms. René Mollow, Deputy Director, Department of Health Care Services  
Ms. Olga Garti, Budget Officer, Department of Health Care Services  
Mr. Marc Lowry, Chief, Fiscal Forecasting Division, Department of Health Care Services  
Mr. Carlos Quant, Chief, Financial Management Branch, Department of Health Care Services  
Ms. Melissa Rolland, Assistant Deputy Director, Office of Legislative and Governmental Affairs,  
Department of Health Care Services

~~“4260-491—Reappropriation, Department of Health Care Services. The balances of the appropriations provided in the following citations are reappropriated. 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, 2020, unless otherwise specified:~~

~~0001—General Fund~~

~~(1) Up to \$808,000 in Item 4260-001-0001, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018) for continued planning costs of the Comprehensive Behavioral Health Data Systems.~~

~~(2) Up to \$7,385,000 in Item 4260-001-0001, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018) for turnover and takeover of the Medi-Cal fiscal intermediary legacy contract.~~

~~3305—Healthcare Treatment Fund~~

~~(1) Provision 1 of Item 4260-102-3305, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018). The balance of this appropriation shall be available for encumbrance or expenditure until June 30, 2029.”~~

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

14. The Department of Finance may augment the amount appropriated in this item up to \$479,557,000 for repayment of over-claimed Title XXI federal funds related to the Non-Optional Targeted Low Income Children's Program population of the Medicaid Program. Repayment shall occur upon the final determination of the Centers for Medicare and Medicaid Services that associated Title XXI federal funds must be refunded by the State. The Department of Finance shall notify the Legislature within 10 days of authorizing an augmentation pursuant to this provision. The 10-day notification to the Legislature shall describe the reason(s) for the augmentation and the fiscal assumptions used.

Amend the following provisions of Item 4260-101-3305 as follows:

- “1. The funds appropriated in this item are available for expenditure pursuant to subdivision (a) of Section 30130.55 of the Revenue and Taxation Code. The Legislature finds and declares that the expenditures are made in accordance with the California Healthcare, Research and Prevention Tobacco Tax Act of 2016 (Proposition 56). The Legislature finds that the expenditures described in this Item ~~Provision 3~~ increase funding for the existing healthcare programs and services described in subdivision (a) of Section 30130.55 of the Revenue and Taxation Code, and that payments and support for the nonfederal share of payments for healthcare, services, and treatment are increased based on the criteria described in this item, which ensures timely access, limiting specific geographic shortages of services or ensuring quality care. Expenditures shall be used only for care provided by health care professionals, clinics, and health facilities that are licensed pursuant to Section 1250 of the Health and Safety Code, and to health plans contracting with the State Department of Health Care Services to provide health benefits pursuant to subdivision (a) of Section 30130.55 of the Revenue and Taxation Code.
2. To effectively administer the Medi-Cal program, the Department of Finance may decrease or increase this item to conform the appropriation to revised revenue estimates pursuant to subdivision (a) of Section 30130.55 of the Revenue and Taxation Code.
3. The State Department of Health Care Services shall develop the structure and parameters for the payments and rate increases to be made pursuant to this item. Of the amount appropriated in this item, the funding may be available for extending supplemental payments for physician services, and dental services, ~~supplemental payments for Intermediate Care Facilities for the Developmentally Disabled, to facilities providing continuous skilled nursing care to developmentally disabled individuals pursuant to the pilot project established by Section 14132.20 of the Welfare and Institutions Code, Women’s Health, and HIV/AIDS waiver providers;~~ and, notwithstanding any other law, rate increases for home health providers of medically necessary in-home services for children and adults in the Medi-Cal fee-for-service system or through home and community-based service waivers, and for pediatric day health care facilities in the Medi-Cal fee-for-service system. The funding may also be available for developmental screenings for children, trauma screenings for children and adults, provider training for trauma screenings, family planning services provided through Medi-Cal fee-for-service and managed care, and, notwithstanding any other law, optical services pursuant to paragraph (1) of subdivision (g) of Section 14131.10 of the Welfare and Institutions Code, and value-based payments for providers in managed care plans. ~~The Department shall post the proposed payment structure of these~~ the physician and dental supplemental provider payments on its Internet Web site by September 30, 2019, upon the approval of the Department of Finance.
4. The payments or rate increases authorized pursuant to this item that are eligible for federal financial participation shall be available after any necessary federal approvals have been obtained, except that the State Department of Health Care Services may make payments available while federal approval is pending, provided that any payment amounts for which federal approval is not obtained shall be recouped from applicable providers. This item shall be implemented only to the extent the State Department of Health Care Services obtains any necessary federal approvals for payments eligible for federal financial participation and

determines that federal financial participation is not otherwise jeopardized. To the extent applicable, each of the payments or rate increases by provider type may be implemented independently as federal approval is received and to the extent federal financial participation is determined and not otherwise jeopardized.

5. The payments or rate increases authorized pursuant to this item will be implemented only to the extent federal Medicaid policy does not reduce federal financial participation as projected in the annual budget act as determined by the Department of Finance.
6. For purposes of provider training related to trauma screenings pursuant to Provision 3 of this item, 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 State Department of General Services.
7. Notwithstanding Chapter 3.5 (commencing Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the State Department of Health Care Services may implement this item by means of plan or county letters, information notices, plan or provider bulletins, or other similar instructions, without taking regulatory action."

4260-102-3305—For local assistance, State Department of Health Care Services, payable from the Healthcare Treatment Fund..... 120,000,000

Schedule:

(1) 3960022-Benefits (Medical Care and Services).....120,000,000

Provisions:

1. The funds appropriated in this item are allocated for the Proposition 56 Medi-Cal Physicians and Dentists Loan Repayment Act for qualifying, recent graduate physicians and dentists who serve Medi-Cal beneficiaries. Of these funds, \$100,000,000 may be allocated for recent graduate physicians and \$20,000,000 may be allocated for recent graduate dentists. The funds appropriated for this purpose are available for expenditure until June 30, 2029.

4260-103-3305—For local assistance, State Department of Health Care Services, payable from the Healthcare Treatment Fund..... 250,000,000

Schedule:

(1) 3960022-Benefits (Medical Care and Services).....250,000,000

Provisions:

1. Of the funds appropriated in this item, \$250,000,000 is allocated for Proposition 56 Value-Based Payment programs to offer financial incentives to health care providers that improve their performance on predetermined measures or meet specified targets that focus on quality and efficiency of care. Of the amount allocated in this item, \$70,000,000 is to be used for behavioral health integration. The funds appropriated for these purposes are available for expenditure until June 30, 2022. These provisions shall be implemented only to the extent the State Department of Health Care Services determines federal financial participation is available and not otherwise jeopardized.



4260-115-3085—For local assistance, State Department of Health Care Services, payable from the Mental Health Services Fund..... 20,000,000

Schedule:

(1) 3960050-Other Care Services.....20,000,000

Provisions:

1. Notwithstanding any other law, the funds appropriated in this item shall be available for encumbrance or expenditure until June 30, 2025 by the State Department of Health Care Services to provide funds to counties for their development and implementation of programs to focus on coordinating health, behavioral health (with a mental health and/or substance use disorder), and critical social services such as housing. The funds may be used to match local county investments towards the specified services, and shall not supplant existing local county investments for these purposes.



May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

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

**California Home Visiting and Black Infant Health Programs (Issues 402 and 403)**—It is requested that Item 4265-001-0001 be amended by increasing reimbursements by \$3.3 million and Item 4265-111-0001 be amended by increasing reimbursements by \$31,519,000 to reflect reimbursements from the Department of Health Care Services for Medicaid-eligible activities previously not reflected in the Governor's Budget. Of this amount, \$22,869,000 will support the California Home Visiting Program and \$11,950,000 will support the Black Infant Health Program, including the California Perinatal Equity Initiative. These funds will allow the Department of Public Health to increase and improve participation in both programs. The reimbursements leverage \$30.5 million General Fund proposed in the Governor's Budget to expand the California Home Visiting and Black Infant Health Programs.

**Infectious Diseases Prevention and Control (Issue 404)**—It is requested that Item 4265-001-0001 be increased by \$8 million and 4 positions and Item 4265-111-0001 be increased by \$32 million to reflect one-time resources, available over four years, for infectious diseases prevention and control activities. The resources will enable the Department to provide annual grants to local health jurisdictions and tribal communities for infectious disease prevention, testing, and treatment activities. These funds will also be available to support state grant management activities and technical assistance to grant recipients.

It is also requested that provisional language be added to Item 4265-001-0001 and Item 4265-111-0001 to authorize the encumbrance or expenditure of funds until June 30, 2023 (see Attachments 1 and 2).

**Proposition 99 Expenditure Adjustments (Issue 402)**—It is requested that Item 4265-001-0231 be increased by \$950,000, Item 4265-111-0231 be increased by \$500,000, Item 4265-001-0234 be increased by \$521,000, and Item 4265-001-0236 be increased by \$29,000 to reflect changes in Proposition 99 revenues. The increases in the Health Education Account will support state administrative activities and competitive grants. The increases in the Research Account and the Unallocated Account will support state administration activities.

**2019 May Estimate: Genetic Disease Screening Program (Issue 402)**—It is requested that Item 4265-111-0203 be increased by \$1,799,000 to reflect increasing laboratory supply and equipment costs, and increasing case management and coordination services for newborn screening.

**2019 May Estimate: Women, Infants, and Children (WIC) Program (Issue 403)**—It is requested that Item 4265-111-0890 be increased by \$2,557,000 and Item 4265-111-3023 be decreased by \$1,251,000 to reflect revised food expenditure projections based on a decline in caseload and updated expenditure projections for the transition to WIC Web Information System Exchange.

**2019 May Estimate: AIDS Drug Assistance Program (ADAP) (Issue 401)**—It is requested that ADAP Rebate Fund expenditures be decreased by \$320,000. The decrease primarily reflects a projected decrease in medication expenditures for medication-only clients anticipated to transition to private insurance, or dis-enrollment from ADAP as a result of full-scope Medi-Cal eligibility.

**Trailer Bill Language: HIV Care Program Financial Eligibility**—Trailer bill language is requested to adopt a statewide financial eligibility requirement for the HIV Care Program as required by federal law. The language also changes the name of the CARE Services Program to the HIV Care Program, as it is currently known.

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

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

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

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Ms. Janne Olson-Morgan, Assistant Secretary, California Health and Human Services  
Agency  
Ms. Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Dr. Karen Smith, Director, California Department of Public Health  
Mr. Brandon Nunes, Chief Deputy Director, California Department of Public Health  
Ms. Susan Fanelli, Chief Deputy Director, California Department of Public Health  
Mr. Alan Lum, Deputy Director, Administration Division, California Department of Public  
Health

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

4. Of the funds appropriated in Schedule (2), \$8,000,000 shall be available for encumbrance or expenditure until June 30, 2023, to support infectious diseases prevention and control activities by the State Department of Public Health.

Add the following provision to Item 4265-111-0001:

3. Of the funds appropriated in Schedule (2), \$32,000,000 shall be available for encumbrance or expenditure until June 30, 2023, and are available for the State Department of Public Health to issue grants to local health jurisdictions and tribal communities for infectious diseases prevention and control activities. The funds identified in this provision shall not supplant existing services at the local level.

May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 4300-001-0001 and Reimbursements, Support, and Items 4300-101-0001, 4300-101-0890, and Reimbursements, Local Assistance, Department of Developmental Services**

**Headquarters**

**Relocation to the Clifford L. Allenby Building (Issue 410 BCP)**—It is requested that Item 4300-001-0001 be increased by \$3,401,000 and 1 position to fund the services and equipment necessary to relocate the Department of Developmental Services (DDS) headquarters to the new Clifford L. Allenby building. See related issue in the Department of State Hospitals Finance Letter (Issue 077). Provisional language is necessary to effectuate this request (see Attachment 1).

**Developmental Centers**

**Porterville Stabilization Training Assistance and Reintegration Facilities (Issue 404)**—It is requested that Item 4300-001-0001 be increased by \$4,710,000 and reimbursements be increased by \$1,177,000 to operate two Stabilization, Training, Assistance, and Reintegration (STAR) homes at the Porterville Developmental Center General Treatment Area. This one-time augmentation provides interim acute crisis stabilization services pending the completion of the Central Valley STAR homes in fiscal year 2020-21.

**Population and Staffing Adjustment (Issue 405)**—It is requested that Item 4300-001-0001 be increased by \$11,654,000 and 20.2 positions and reimbursements be decreased by \$9,287,000 for the operation of one additional intermediate care facility at the Fairview Developmental Center and continued operation of all intermediate care facilities until December 31, 2019.

**Regional Centers**

**Early Start Co-Payments (Issue 406)**—It is requested that Item 4300-101-0001 be increased by \$1 million. As a condition of federal Early Start grant funding, DDS must ensure that insured families are not disproportionately charged more than uninsured families for early intervention services. Currently, some privately insured families pay out-of-pocket co-payments while regional centers cover all early intervention service costs for uninsured families. These changes enable regional centers to make co-payments on behalf of privately insured families in order to comply with federal requirements. Trailer bill language is necessary to effectuate this request.

**Family Home Agency Oversight (Issue 407)**—It is requested that Item 4300-101-0001 be increased by \$1.1 million and reimbursements be increased by \$519,000. These funds will enable regional centers to expand Family Home Agency monitoring of individuals who transition out of high-cost models of care into more cost-effective, less restrictive settings.

**Specialized Home Monitors (Issue 408)**—It is requested that Item 4300-101-0001 be increased by \$207,000 and reimbursements be increased by \$99,000. This is a technical salary adjustment for regional center Board Certified Behavioral Analyst positions proposed in the Governor's Budget.

**Caseload and Utilization Adjustment (Issue 409)**—It is requested that Item 4300-101-0001 be increased by \$90,038,000, reimbursements be increased by \$44,054,000, and Item 4300-101-0890 be decreased by \$696,000. These changes reflect updated expenditures in caseload-driven operations and purchase of service costs.

**Provider Rate Adjustment (Issue 410 ECP)**—It is requested that Item 4300-001-0001 be increased by \$2.5 million and 4 positions, Item 4300-101-0001 be increased by \$101,183,000, and reimbursements be increased by \$66,950,000. These adjustments reflect a two-year limited-term provider rate increase, effective January 1, 2020, and resources necessary for the implementation of regional center accountability and oversight reform measures.

**Uniform Holiday Schedule Suspension (Issue 411)**—It is requested that Item 4300-101-0001 be increased by \$30.1 million and reimbursements be increased by \$20.2 million to suspend the implementation of the Uniform Holiday Schedule. Provisional language is necessary to effectuate this request (see Attachment 2). The May Revision proposes to continue the suspension through December 31, 2021.

**Best Buddies (Issue 412)**—It is requested that Item 4300-101-0001 be increased by \$500,000. This adjustment supports Best Buddies' delivery of peer-to-peer mentoring and supported employment services.

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 Kris Cook, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page



cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gomez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Michelle Baass, Deputy Secretary, Health and Human Services Agency  
Mr. Marko Mijic, Deputy Secretary, Health and Human Services Agency  
Mr. Kris Kent, Assistant Secretary, Health and Human Services Agency  
Ms. Nancy Bargmann, Director, Department of Developmental Services  
Mr. John Doyle, Chief Deputy Director Administration, Department of Developmental Services  
Ms. Betty Lai, Fiscal Forecasting Branch Manager, Department of Developmental Services

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

8. Notwithstanding any other law, contracts entered into or amended for document imaging or archival services related to the relocation of the Department's headquarters shall be exempt from the requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, and from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

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

11. Funding is included in this item so that no regional center shall be required to implement or give effect to Section 4692 of the Welfare and Institutions Code during fiscal year 2019-20 for services that would otherwise be ineligible for reimbursement for any of the holidays set forth in paragraphs (1) to (11), inclusive, of subdivision (a) of Section 4692 of the Welfare and Institutions Code.



May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

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

**Relocation to the Clifford L. Allenby Building (Issue 077)**—It is requested that Item 4440-011-0001 be increased by \$4,891,000 and 2 positions to reflect the services and equipment necessary for the relocation of the Department of State Hospitals to the new Clifford L. Allenby building. This augmentation reflects the initial funding needed to relocate staff and operations to the new Department of General Services building, along with the Department of Developmental Services and the Health and Human Services (HHS) Agency. Provisional language is necessary to effectuate this request (see Attachment 1).

**Emergency Management (Issue 087)**—It is requested that Item 4440-011-0001 be increased by \$996,000 and 6 permanent positions to improve emergency coordination, emergency preparedness, and business continuity planning at the five state hospitals and headquarters. See the Natural Resources, Emergency Responses and Preparedness Finance Letter.

**Conditional Release Program—Sexually Violent Predator Caseload (Issue 089)**—It is requested that Item 4440-011-0001 be decreased by \$994,000 to reflect a reduction in the projected sexually violent predator population, with a net decrease of two commitments in the Conditional Release Program compared to the Governor's Budget projection. Caseloads are adjusted in accordance with the month anticipated for admission or discharge from Conditional Release Program and prorated to reflect the partial-year costs of patients in and out of the program.

**Lanterman-Petris-Short Caseload (Issue 090)**—It is requested that Item 4440-011-0001 be amended by increasing reimbursements by \$2,740,000 to reflect bed usage and treatment fees collected from counties. The Department collects reimbursements from counties to treat Lanterman-Petris-Short (civilly committed) patients.

**Napa Earthquake Repairs Adjustment (Issue 091)**—It is requested that Item 4440-011-0001 be decreased by \$608,000 to reflect the elimination of the third and final project to repair damages sustained at Napa State Hospital during the August 2014 earthquake. Due to ongoing challenges and delays in the availability and hiring of labor, the Department has been unable to

make significant efforts towards completing Project 3, which is comprised of minor cosmetic repairs.

**Technical Adjustment—Patient Driven Operating Expenses (Issue 092)**—It is requested that Item 4440-011-0001 be increased by \$547,000 to reflect projected patient driven operating expenses and equipment erroneously omitted from the Governor's Budget caseload adjustment.

**Conditional Release Program—Step Down Program (Issue 093)**—It is requested that Item 4440-011-0001 be increased by \$5,688,000 to reflect the mid-year activation of a vendor-operated, 78-bed step-down program to serve Mentally Disordered Offenders and Not Guilty by Reason of Insanity (NGI) commitments who are preparing for conditional release from state hospitals within 18 to 24 months. Additionally, the Department will expand an existing contract of 20 Conditional Release Program beds in the community by 4 additional beds to serve NGI patients.

**Jail-Based Competency Treatment Program Adjustment (Issue 094)**—It is requested that Item 4440-011-0001 be decreased by \$5,896,000 to reflect reduced costs and fewer projected beds in the Jail-Based Competency Treatment program expansions included in the Governor's Budget. The Department continues to identify additional expansion opportunities throughout the state. This change reflects delays in recent contract negotiations and activation delays, partially offset by updated county-negotiated bed rates and capacity increases.

**Telepsychiatry Resources (Issue 095)**—It is requested that Item 4440-011-0001 be increased by \$2,205,000 and 11 positions (\$3,698,000 and 21 positions ongoing) to expand the use of telepsychiatry as an alternative to providing in-person psychiatric treatment to patients. The Department proposes to redirect 18 vacant psychiatrist positions to be located in Sacramento and Metropolitan State Hospital, where psychiatrists are easier to recruit, to serve patients at three state hospitals (Atascadero, Coalinga, and Napa) via video-conferencing.

**Metropolitan State Hospital Bed Expansion Adjustment (Issue 096)**—It is requested that Item 4440-011-0001 be decreased by \$3,055,000 and 20.1 positions to reflect delays in activating incompetent-to-stand-trial beds at Metropolitan State Hospital by approximately two months, partially offset by a staffing increase to meet standard staff-to-patient ratios.

**Enhanced Treatment Program Adjustments (Issues 097 and 100)**—It is requested that Item 4440-011-0001 be decreased by \$716,000 and increased by 2.3 positions to reflect savings associated with the delayed activation of four Enhanced Treatment Program (ETP) units at Atascadero and Patton State Hospitals. It is also requested that this decrease be offset by a one-time increase of \$139,000 to this item for three building modifications necessary to complete the ETP unit activations.

**Technical Adjustment—Interagency Agreement with HHS Agency (Issue 103)**—It is requested that Item 4440-011-0001 be decreased by \$222,000 to reflect an adjustment to the interagency agreement between the Department and the HHS Agency. Historically, the Department's budget has included funding for one HHS Agency position. In a companion proposal (see Issue 406 in the HHS Agency Finance Letter), the Agency is requesting a corresponding General Fund increase. This adjustment would properly align the funding with position authority in the HHS Agency budget.

**Technical Adjustment—California State Lottery Education Fund (Issue 098)**—It is requested that the California State Lottery Education Fund under the Department of State

Hospitals be increased by \$6,000 to reflect updated funding from the California State Lottery Education Fund.

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 Kris Cook, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gomez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Michelle Baass, Undersecretary, Health and Human Services Agency  
Mr. Marko Mijic, Acting Deputy Secretary, Health and Human Services Agency  
Mr. Kristopher Kent, Assistant Secretary, Health and Human Services Agency  
Ms. Stephanie Clendenin, Acting Director, Department of State Hospitals  
Mr. Stirling Price, Acting Chief Deputy Director, Department of State Hospitals  
Mr. Marcelo Acob, Chief Financial Officer, Department of State Hospitals  
Ms. Stacey Camacho, Budget Officer, Department of State Hospitals

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

11. Notwithstanding any other law, contracts entered into or amended for document imaging or archival services related to the relocation of the department's headquarters shall be exempt from the requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code, and from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.



DEPARTMENT OF  
**FINANCE**  
OFFICE OF THE DIRECTOR

GAVIN NEWSOM • GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

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

**Statewide: Enhanced Treatment Units**—It is requested that Item 4440-301-0001 be increased by \$2,387,000 to provide additional funding for the construction phase of the Statewide: Enhanced Treatment Program project at Atascadero and Patton State Hospitals (see Attachment 1). While construction at Atascadero is underway, recently received bids for construction at Patton were significantly higher than the state's estimate. The increased costs are related to certain components of the project being underestimated as well as current conditions in the construction market in the San Bernardino area. This supplemental appropriation is needed to proceed with construction at Patton.

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 Sally Lukenbill, Principal Program Budget Analyst, at (916) 445-9694.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page



cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. George Maynard, Deputy Director, Administrative Services, Department of State Hospitals  
Ms. Nicole Hicks, Chief Operations Officer, Business Management Branch, Department of State Hospitals  
Mr. Robert Horsley, Facilities Manager, Facility Planning Construction and Management, Department of State Hospitals

"4440-301-0001—For capital outlay, State Department of State Hospitals...113,000 2,500,000

Schedule:

(1) 0005035-Atascadero: Potable Water Booster Pump System....113,000

(a) Preliminary Plans.....113,000

(2) 0000041-Statewide: Enhanced Treatment Units.....2,387,000

(a) Construction.....2,387,000"



DEPARTMENT OF  
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May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Addition of Budget Bill Item 4800-101-0001, Local Assistance, California Health Benefit Exchange**

It is requested that Item 4800-101-0001 be added in the amount of \$295,272,000 to provide resources for advanced premium assistance subsidies to individuals who purchase coverage through the Health Benefit Exchange. Individuals between 200 and 400 percent of the federal poverty level will be eligible for both state and federal premium assistance. Individuals between 400 and 600 percent of the federal poverty level will be solely eligible for state premium assistance.

It is also requested that provisional language be added to direct the Exchange to develop a program design within specified parameters for coverage year 2020 (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 Jacob Lam, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Dr. Mark Ghaly, Board Chair, California Health Benefit Exchange  
Mr. Peter Lee, Executive Director, California Health Benefit Exchange  
Ms. Kelly Green, Director of External Affairs, California Health Benefit Exchange  
Ms. Katie Ravel, Director of Policy Evaluation and Research, California Health Benefit Exchange

4800-101-0001—For local assistance, California Health Benefit Exchange.....	295,272,000
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## Schedule:

(1) 4202-State Subsidy Program .....	295,272,000
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## Provisions:

1. Pursuant to Title 25 of the Government Code and the program design adopted by the Exchange in accordance with that title, the amount appropriated in this item shall provide advanceable premium assistance subsidies during the 2020 coverage year to individuals with projected and actual household incomes at or below 600 percent of the federal poverty level.
2. Of the amount available in this item, the program design, in accordance to Title 25 of the Government Code, shall allocate approximately 25 percent to provide advanceable premium assistance subsidies to individuals with household incomes above 200 and at or below 400 percent of the federal poverty level and approximately 75 percent to provide advanceable premium assistance subsidies to individuals with household incomes above 400 and at or below 600 percent of the federal poverty level.
3. The Director of Finance may authorize an increase in this appropriation to pay all premium assistance subsidies authorized for the 2020 coverage year pursuant to the program design. Any augmentation under this provision shall be authorized no sooner than 10 days after notification in writing of the necessity thereof to the Joint Legislative Budget Committee, or not sooner than whatever lesser time after notification the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
4. Notwithstanding any other provision of law, funds appropriated for the 2020 coverage year pursuant to this item may be encumbered until December 31, 2021.



**DEPARTMENT OF  
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May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

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

It is requested that Item 5160-001-0001 be increased by \$1,317,000 to reflect a two-year limited-term provider rate increase for supported employment services, effective January 1, 2020. This adjustment aligns Vocational Rehabilitation program provider rates with those of the Department of Developmental Services for this service category.

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 Jay Kapoor, Assistant Program Budget Manager, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Marko Mijic, Deputy Secretary, Health and Human Services Agency  
Mr. Kristopher Kent, Assistant Secretary, Health and Human Services Agency  
Mr. Joe Xavier, Director, Department of Rehabilitation  
Ms. Kelly Hargreaves, Chief Deputy Director, Department of Rehabilitation  
Ms. Fariba Shahmirzadi, Deputy Director, Department of Rehabilitation  
Mr. Armel Biscocho, Assistant Deputy Director, Department of Rehabilitation



**DEPARTMENT OF  
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May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

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

It is requested that Item 5175-101-0890 be increased by \$2,636,000 and Item 5175-101-8004 be decreased by \$2,636,000 to reflect revised forecasts of child support collections.

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 Jay Kapoor, Assistant Program Budget Manager, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page



cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
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Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gomez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Mr. Marko Mijic, Deputy Secretary, Health and Human Services Agency  
Ms. Paula Villescaz, Assistant Secretary, Health and Human Services Agency  
Mr. David Kilgore, Director, Department of Child Support Services  
Mr. Mark Beckley, Chief Deputy Director, Department of Child Support Services  
Ms. Irene Briggs, Deputy Director, Department of Child Support Services  
Mr. Nan Chen, Chief Financial Officer, Department of Child Support Services

May 9, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

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

**Support**

**State Verification Hub Planning Activities (Issue 405)**—It is requested that Item 5180-001-0001 be increased by \$149,000 and 1 position and Item 5180-001-0890 be increased by \$144,000 and 1 position on a two-year limited-term basis to support 2 positions to begin planning activities for a State Verification Hub to enhance eligibility verifications in public assistance programs. (See related Issue 405 in the Department of Health Care Services and Health and Human Services Agency Finance Letters).

**Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) (Issue 406)**—It is requested that Items 5180-001-0001 and 5180-001-0890 both be increased by \$539,000 to provide two-year limited-term resources through fiscal year 2020-21 to support continuing development and implementation of the CWS-CARES project.

**Resources for Disaster Services (Issue 407)**—It is requested that Item 5180-001-0001 be increased by \$2,943,000 and 20 positions to support mandated disaster preparedness, response, and recovery operations related to the Department of Social Services' mass care and shelter responsibilities.

**Local Assistance**

**May Revision Caseload Adjustments (Issues 401, 402, 403, 404, and 405)**—The May Revision proposes a net increase of \$266,357,000 (increases of \$71,611,000 General Fund, \$354,629,000 reimbursements, \$189,000 Emergency Food Assistance Program Fund, and \$146,000 School Supplies for Homeless Children Fund, partially offset by decreases of \$160,216,000 Federal Trust Fund, and \$2,000 Child Health and Safety Fund) primarily resulting from updated caseload estimates since the Governor's Budget. Caseload and workload changes since the Governor's Budget are displayed in the following table:

<b>Program</b>	<b>Item</b>	<b>Change from Governor's Budget</b>
<b>California Work Opportunity and Responsibility to Kids (CalWORKs)</b>	5180-101-0001	(\$34,503,000)
	5180-101-0890	(\$15,783,000)
	Reimbursements	\$11,000
<b>Kinship Guardianship Assistance Payment</b>	5180-101-0001	\$1,145,000
<b>Supplemental Security Income/ State Supplementary Payment (SSI/SSP)</b>	5180-111-0001	(\$18,015,000)
<b>In-Home Supportive Services (IHSS)</b>	5180-111-0001	\$136,279,000
	Reimbursements	\$344,990,000
<b>Other Assistance Payments</b>	5180-101-0001	(\$17,899,000)
	5180-101-0122	\$189,000
	5180-101-0890	(\$19,252,000)
	5180-101-8075	\$146,000
<b>County Administration and Automation Projects</b>	5180-141-0001	(\$2,421,000)
	5180-141-0890	(\$19,784,000)
	Reimbursements	(\$6,935,000)
<b>Community Care Licensing</b>	5180-151-0890	\$214,000
<b>Special Programs</b>	5180-151-0001	\$7,723,000
<b>Realigned Programs</b>		
<b>Adoption</b>	5180-101-0890	\$1,777,000
<b>Foster Care</b>	5180-101-0890	(\$283,000)
	5180-141-0890	(\$366,000)
<b>Child Welfare Services (CWS)</b>	5180-151-0001	\$8,061,000
	5180-151-0279	(\$2,000)
	5180-151-0890	(\$61,907,000)
	Reimbursements	\$449,000
<b>Title IV-E Waiver</b>	5180-153-0001	(\$8,759,000)
	5180-153-0890	(\$44,913,000)
<b>Adult Protective Services</b>	5180-151-0890	\$81,000
	Reimbursements	\$16,114,000

**Resource Family Approval Administration and Backlog (Issue 406)**—It is requested that Item 5180-151-0001 be increased by \$14,420,000 and Item 5180-151-0890 be increased by \$6,181,000 to provide one-time funding to support Resource Family Approval administration workload, including application backlogs.

**Placement Prior to Approval (Issue 407)**—It is requested that Item 5180-101-0001 be increased by \$15,064,000 and Item 5180-101-0890 be increased by \$6,590,000 for counties to support up to four months of emergency assistance payments prior to resource family approval in 2019-20. This proposal requires trailer bill language.

**Foster Parent Recruitment, Retention, and Support (Issue 408)**—It is requested that Item 5180-151-0001 be increased by \$10,781,000, Item 5180-151-0890 be increased by \$5,065,000, and Item 5180-153-0001 be increased by \$10,849,000 to provide one-time funding to counties for recruitment, retention, and support of foster parents.

**Dependency Counsel Title IV-E Funding (Issue 409)**—It is requested that Item 5180-151-0890 be increased by \$33,955,000 to provide the Judicial Branch with federal Title IV-E reimbursements for legal support provided to certain children and parents who are involved with the child welfare system. See related Issue 401 in the Judicial Branch Finance Letter.

**IHSS: Public Authority Administration Funding (Issue 411)**—It is requested that Item 5180-111-0001 be increased by \$1,838,000 and reimbursements be increased by \$1,899,000 for public authority administration based on updated workload assumptions.

**IHSS: Electronic Visit Verification County Administration Funding (Issue 412)**—It is requested that Item 5180-111-0001 be increased by \$1,503,000 and reimbursements be increased by \$4,507,000 to reflect adjustments in county administrative workload associated with the final implementation plan for electronic visit verification.

**IHSS: Restoration of the 7-Percent Across-the-Board Reduction to IHSS Service Hours (Issue 413)**—It is requested that Item 5180-111-0001 be increased by \$15,250,000 and reimbursements be increased by \$22,151,000 to reflect the updated costs to restore the 7-percent across-the-board reduction to IHSS hours. The May Revision proposes to temporarily restore the 7-percent reduction through December 31, 2021, due to lower than expected revenues over the forecast period and ongoing efforts to contain costs.

**Rapid Response Funding (Issue 414)**—It is requested that Item 5180-151-0001 be increased by \$7,308,000 to provide funding for nonprofits who operate emergency shelters for migrants in San Diego and Riverside counties. A corresponding decrease will be made to the Rapid Response Reserve.

**CalWORKs Single Allocation Employment Services Budget Methodology Changes (Issue 415)**—It is requested that Item 5180-101-0001 be increased by \$128,000 and Item 5180-101-0890 be increased by \$41,296,000 to reflect a revised budgeting methodology for the employment services component of the CalWORKs Single Allocation to counties. It is also requested that Provision 11 be added to Item 5180-101-0001, and Provision 1 of Item 5180-101-0890 be amended to clarify that funding allocated for the purposes of CalWORKs Stage One Child Care services is independent of the CalWORKs Single Allocation (see Attachment 1).

**CalWORKs Outcomes and Accountability Review County Administration (Issue 416)**—It is requested that Item 5180-101-0001 be increased by \$887,000 and Item 5180-101-0890 be increased by \$12,293,000 to support county administrative activities related to the CalWORKs Outcomes and Accountability Review Continuous Quality Improvement process.

**County Work Number Contract (Issue 417)**—It is requested that Item 5180-101-0890 be increased by \$1,916,000, Item 5180-141-0001 be increased by \$2,235,000, and Item 5180-141-0890 be increased by \$2,235,000 to reflect counties' increased usage of the Work Number Express Service for income and employment verification in the CalWORKs and CalFresh programs.

**Revised CalWORKs Home Visiting Assumptions (Issue 418)**—It is requested that Item 5180-101-0001 be decreased by \$3,289,000 and Item 5180-101-0890 be increased by \$13,969,000 to reflect revised projections of CalWORKs cases eligible for Home Visiting Services.

**Decreased Temporary Assistance for Needy Families (TANF) Funding for Cal Grants (Issue 419)**—It is requested that Item 5180-101-0890 be decreased by \$5,921,000 to reflect a decrease in the amount of federal TANF block grant funds available to offset General Fund costs in the Cal Grant program. See related Issue 502 in the California Student Aid Commission Finance Letter.

**One-time County Administration Funding for the Expanded CalFresh Population (Issue 420)**—It is requested that Item 5180-141-0001 be increased by \$15 million and Item 5180-141-0890 be increased by \$21,428,000 to support county administrative efforts to process new CalFresh applicants as a result of eliminating the SSI Cash-Out policy. It is also requested that Provision 9 be added to Item 5180-141-0001 to allow the Department of Social Services to provide the additional General Fund to counties upon approval by the Department of Finance (see Attachment 2).

**CalWORKs Stage One 12-Month Eligibility (Issue 421)**—It is requested that Item 5180-101-0001 be increased by \$40,663,000 to establish a 12-month eligibility period for CalWORKs State One Child Care services, effective October 1, 2019. This proposal requires trailer bill language.

**Cal-Learn Case Management Standards Change (Issue 422)**—It is requested that Item 5180-101-0001 be increased by \$230,000 and Item 5180-101-0890 be increased by \$5,777,000 to reflect adherence to new case management standards in the CalWORKs Cal-Learn program.

**Special Olympics Additional Funding (Issue 423)**—It is requested that Item 5180-101-0001 be increased by \$2 million to provide one-time funding for the Special Olympics. It is also requested that Provision 12 be added to Item 5180-101-0001 to allow the Department of Social Services to provide the funding to the Special Olympics (see Attachment 3).

**IHSS: Maintenance-of-Effort Increased Costs (Issue 424)**—It is requested that Item 5180-111-0001 be increased by \$55,098,000 related to the rebenching of the County IHSS maintenance-of-effort to reflect revised 1991 Realignment revenue projections and revised IHSS caseload and cost estimates.

**Budget Bill Language: Bringing Families Home Reappropriation (Attachment 4)**—It is requested that Item 5180-492 be amended to allow the reappropriation of unexpended funds appropriated in the 2017 Budget Act for the Bringing Families Home Program (see Attachment 4).

**Budget Bill Language: Expansion of Immigration-Related Services (Attachment 5)**—It is requested that Provision 15 of Item 5180-151-0001 be amended and Provision 19 be added to Item 5180-151-0001 to authorize \$5 million of the \$10 million General Fund budgeted in 2019-20 for the provision of legal services to unaccompanied undocumented minors and Temporary Protected Status beneficiaries to: (1) provide mental health screenings and evaluations related to legal defense and (2) develop a family reunification navigator pilot to link undocumented minors with services in the community (see Attachment 5).

**Budget Bill Language: California Statewide Automated Welfare System Augmentation (Attachment 6)**— It is requested that Provision 8 be added to Item 5180-141-0001 and Provision 1 of Item 5180-141-0890 be amended to authorize an increase in expenditures related to mid-year changes in California Statewide Automated Welfare System project schedule and costs (see Attachment 6).

**Budget Bill Language: CalWORKs Housing Support Program Reappropriation (Attachment 7)**—It is requested that Item 5180-493 be amended for the purpose of reappropriating the unexpended balances from funds appropriated in the 2018 Budget Act for the CalWORKs Housing Support Program (see Attachment 7).

**Budget Bill Language: Cash Disbursement Authority (Attachment 8)**—It is requested that Provision 2 of Item 5180-101-0001 be amended to allow the Department of Social Services to ensure county cash disbursements are met when federal funds and the Local Revenue Fund are insufficient to cover county expenditures (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 Yang Lee, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Pat Leary, Acting Director, Department of Social Services  
Mr. Pete Cervinka, Chief Deputy Director, Department of Social Services  
Ms. Kären Dickerson, Deputy Director, Department of Social Services  
Ms. Kim Johnson, Deputy Director, Department of Social Services  
Ms. Debbi Thomson, Deputy Director, Department of Social Services  
Mr. Greg Rose, Deputy Director, Department of Social Services  
Ms. Pamela Dickfoss, Deputy Director, Department of Social Services  
Ms. Salena Chow, Chief, Department of Social Services  
Mr. Nathan Hart, Chief, Department of Social Services

Add the following provision to Item 5180-101-0001:

11. Effective July 1, 2019, funding appropriated in this item for CalWORKs Stage One Child Care shall be allocated independent from the Single Allocation to counties for the CalWORKs program, and shall be used exclusively for direct child care services and child-care-related administrative costs.

Amend Provision 1 of Item 5180-101-0890 as follows:

"1. Provisions 1, 4, 6, 7, and ~~7~~ 11 of Item 5180-101-0001 also apply to this item."



Add the following provision to Item 5180-141-0001:

9. Upon approval by the Department of Finance, up to \$15,000,000 of the amount appropriated in this item may be expended for unanticipated county administrative costs related to elimination of the SSI Cash-Out Policy, subject to documentation provided by county welfare departments and the Department of Social Services.

Add the following provision to Item 5180-101-0001:

12. (a) Of the amount appropriated in this item, \$2,000,000 shall be available to the State Department of Social Services for the purposes of allocation to the Special Olympics. The Special Olympics shall spend the moneys provided through the contract no later than June 30, 2022.  
  
(b) Notwithstanding any other law, the allocation pursuant to this provision shall be 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, and from the Public Contract Code and the State Contracting Manual, and shall not be subject to the approval of the Department of General Services.

"Item 5180-492—Reappropriation, State Department of Social Services. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure until June 30, 2020:

0001—General Fund

- (1) Schedule (2) of Item 5180-101-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for the Emergency Child Care Bridge Program
- (2) Schedule (1) of Item 5180-151-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for the Emergency Child Care Bridge Program
- (3) Schedule (1) of Item 5180-151-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Foster Parent Recruitment, Retention, and Support, allocated to Probation Departments
- (4) Schedule (1) of Item 5180-151-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Child and Family Teams, allocated to Probation Departments
- (5) Schedule (1) of Item 5180-151-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Resource Family Approval, allocated to Probation Departments
- (6) Schedule (1) of Item 5180-153-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for the Emergency Child Care Bridge Program
- (7) Schedule (1) of Item 5180-153-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Foster Parent Recruitment, Retention, and Support, allocated to Probation Departments
- (8) Schedule (1) of Item 5180-153-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Child and Family Teams
- (9) Schedule (1) of Item 5180-153-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Resource Family Approval, allocated to Probation Departments
- (10) Schedule (1) of Item 5180-151-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Level of Care Protocol Tool allocated to Probation Departments
- (11) Schedule (1) of Item 5180-153-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for Level of Care Protocol Tool allocated to Probation Departments
- (12) Schedule (1) of Item 5180-151-0001, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), as reappropriated by Items 5180-491 and 5180-492, Budget Act of 2018 (Chs. 29 and 30, Stats. 2018) for Bringing Families Home program."

Amend Provision 15 of Item 5180-151-0001 as follows:

- “15. Of the amount appropriated in this item, ~~\$10,000,000~~ \$5,000,000 shall be available for legal services pursuant to Chapter 5.6 (commencing with Section 13300) of Part 3 of Division 9 of the Welfare and Institutions Code, for, but not limited to, unaccompanied undocumented minors and other minors in removal proceedings, and current or past beneficiaries of federal temporary protected status, to be allocated at the discretion of the State Department of Social Services. These funds shall be available for encumbrance or expenditure until June 30, 2022, and liquidation until June 30, 2025. Use of these funds shall be reported in updates provided to the Legislature on the department’s immigration programs.”

Add the following provision to Item 5180-151-0001:

19. (a) Of the amount appropriated in this item, the sum of five million dollars (\$5,000,000) is provided for either or both of the following purposes:
- (1) Mental health assessments in support of applications for immigration remedies, such as asylum seekers and applicants for T visas, U visas, Special Immigrant Juvenile Status; or
  - (2) Navigation services to connect with existing services that support reunification and post-placement needs of undocumented minors arriving unaccompanied, including “unaccompanied alien children” as defined in Section 279(g)(2) of Title 6 of the United States Code, their sponsors, and the sponsor’s family members.
- (b) The department shall allocate funding available pursuant to this provision to qualified nonprofit providers or school districts, as determined by the department.
- (c) In accordance with Section 1621(d) of Title 8 of the United States Code, this section provides services for undocumented persons.
- (d) Funds allocated in subdivision (a) may be used to conduct a formal evaluation of the services provided for in subdivision (a).
- (e) Notwithstanding any other provision of law, these funds shall be available for encumbrance or expenditure until June 30, 2022, and liquidation until June 30, 2025.

Add the following provision to Item 5180-141-0001:

8. The Department of Finance may increase Expenditure authority in this item for costs associated with an updated project schedule, clarified requirements, and negotiated vendor costs for the California Statewide Automated Welfare System project, upon notification from the Office of Systems Integration. Any such increase shall be authorized no less than 30 calendar days following written notification to the Chairperson of the Joint Legislative Budget Committee, or a lesser period if requested by the department and approved by the Chairperson of the Joint Legislative Budget Committee, or his or her designee.

Amend Provision 1 of Item 5180-141-0890 as follows:

"1. Provisions 2, 3, 4, 6, 7 and 7 8 of Item 5180-141-0001 also apply to this item."

“5180-493—Reappropriation, State Department of Social Services. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2020:

0001—General Fund

(1) Item 5180-101-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018)

(1) Funds allocated to counties pursuant to Provision 9 of Item 5180-101-0001, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018) for housing support for those families in receipt of CalWORKs as required by Sections 11330 and 11330.5 of the Welfare and Institutions Code, but unexpended as of June 30, 2019, shall be reappropriated for transfer to, and in augmentation of, the corresponding items in this act.

0890—Federal Trust Fund

- (1) Item 5180-101-0890, Budget Act of 2011 (Ch. 33, Stats. 2011), as reappropriated by Item 5180-493, Budget Act of 2016 (Ch. 23, Stats. 2016), as reappropriated by Item 5180-493, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), and as reappropriated by Item 5180-493, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018)
- (2) Item 5180-101-0890, Budget Act of 2012 (Chs. 21 and 29, Stats. 2012), as reappropriated by Items 5180-493 and 5180-494, Budget Act of 2016 (Ch. 23, Stats. 2016), as reappropriated by Items 5180-493 and 5180-494, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), and as reappropriated by Items 5180-493 and 5180-594, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018)
- (3) Item 5180-101-0890, Budget Act of 2013 (Chs. 20 and 354, Stats. 2013), as reappropriated by Item 5180-493, Budget Act of 2016 (Ch. 23, Stats. 2016), as reappropriated by Item 5180-493, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), and as reappropriated by Item 5180-493, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018)
- (4) Item 5180-101-0890, Budget Act of 2014 (Chs. 25 and 663, Stats. 2014), as reappropriated by Item 5180-493, Budget Act of 2016 (Ch. 23, Stats. 2016), as reappropriated by Item 5180-493, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017), and as reappropriated by Item 5180-493, Budget Act of 2018 (Chs. 29, 30, and 449, Stats. 2018)
- (1) Funds for fraud recovery incentive payments earned by counties in accordance with subdivision (j) of Section 11486 of the Welfare and Institutions Code, but unexpended as of June 30, 2019, shall be reappropriated for transfer to and in augmentation of Item 5180-101-0890.”

Amend Provision 2 of Item 5180-101-0001 as follows:

"2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to: (1) cover the costs of a program or programs when the federal funds have not been received or funds in any subaccount within the Local Revenue Fund have not been deposited prior to the usual time for the state to transmit payment to the counties, or (2) ensure cash disbursement needs in this item are met when abatements have not yet posted in time for disbursement. For this purpose, the Department of Finance may authorize an augmentation to this item to ensure cash disbursement requirements are met. This loan from the General Fund shall be repaid when the federal funds or the funds for any subaccounts within the Local Revenue Fund for the program or programs becomes available."



**DEPARTMENT OF  
FINANCE**  
OFFICE OF THE DIRECTOR

**GAVIN NEWSOM - GOVERNOR**

STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

May 10, 2019

Honorable Holly Mitchell, Chair  
Senate Budget and Fiscal Review Committee

Attention: Mr. Joe Stephenshaw, Staff Director (2)

Honorable Phil Ting, Chair  
Assembly Budget Committee

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

**Amendment to Budget Bill Item 5180-101-0001, Local Assistance, Department of Social Services**

It is requested that Item 5180-101-0001 be increased by \$5,086,000 to reflect a proposed decrease in 1991 Realignment funds available to offset General Fund costs in the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

The 2019-20 May Revision (released on May 9, 2019) maintained the Governor's Budget proposal to increase the redirection of health realignment revenues from 60 percent to 75 percent for the counties of Placer, Sacramento, Santa Barbara, and Stanislaus. The Administration has subsequently reevaluated this proposal due to the potential negative impacts to public health activities in these counties. Therefore, the Administration is withdrawing its proposal, which reduces the amount of redirected funding to offset General Fund costs in CalWORKs by \$5,086,000. Forthcoming statutory changes will conform to reflect this amendment.

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

KEELY MARTIN BOSLER  
Director  
By:

/s/ Vivek Viswanathan

VIVEK VISWANATHAN  
Chief Deputy Director

cc: On following page



cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mr. Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Mr. Kirk Feely, Budget Fiscal Director  
Honorable Lorena Gonzalez, Chair, Assembly Appropriations Committee  
Attention: Mr. Jay Dickenson, Chief Consultant  
Honorable Jay Obernolte, Vice Chair, Assembly Budget Committee  
Attention: Ms. Cyndi Hillery, Staff Director  
Honorable Richard Pan, Chair, Senate Budget and Fiscal Review Subcommittee No. 3  
Honorable Eloise Gómez Reyes, Acting Chair, Assembly Budget Subcommittee No. 1  
Mr. Gabriel Petek, Legislative Analyst (4)  
Mr. Christopher W. Woods, Senate President pro Tempore's Office (2)  
Mr. Jason Sisney, Assembly Speaker's Office (2)  
Ms. Jayme Chick, Deputy Chief of Staff, Policy, Assembly Republican Leader's Office  
Mr. Joe Shinstock, Policy and Fiscal Director, Assembly Republican Leader's Office  
Ms. Michelle Baass, Undersecretary, California Health and Human Services Agency  
Mr. Marko Mijic, Acting Deputy Secretary, California Health and Human Services Agency  
Mr. Brendan McCarthy, Assistant Secretary, California Health and Human Services Agency  
Ms. Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Ms. Pat Leary, Acting Director, Department of Social Services  
Mr. Pete Cervinka, Chief Deputy Director, Department of Social Services  
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Ms. Pamela Dickfoss, Deputy Director, Department of Social Services  
Ms. Salena Chow, Chief, Department of Social Services  
Mr. Nathan Hart, Chief, Department of Social Services  
Ms. Jennifer Kent, Director, Department of Health Care Services  
Ms. Mari Cantwell, Chief Deputy Director, Department of Health Care Services  
Ms. Erika Sperbeck, Chief Deputy Director, Department of Health Care Services  
Mr. Bruce Lim, Deputy Director, Department of Health Care Services  
Ms. Sarah Brooks, Deputy Director, Department of Health Care Services  
Ms. René Mollow, Deputy Director, Department of Health Care Services  
Ms. Olga Garti, Budget Officer, Department of Health Care Services  
Mr. Marc Lowry, Chief, Fiscal Forecasting Division, Department of Health Care Services  
Mr. Carlos Quant, Chief, Financial Management Branch, Department of Health Care Services  
Ms. Melissa Rolland, Assistant Deputy Director, Office of Legislative and Governmental Affairs,  
Department of Health Care Services