



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 4120-001-0001, Support and Item 4120-101-0001, Local Assistance, and Addition of Item 4120-490, Support, Emergency Medical Services Authority**

**Increased Resources for Information Technology Mission Efficiency (Issue 023)**—It is requested that Item 4120-001-0001 be increased by \$443,000 and 2 positions ongoing to manage growth in staffing, address security deficiencies, and meet current and long-term information technology infrastructure needs.

**Multicounty Local Emergency Medical Services Agency Funding Increase (Issue 022)**—It is requested that Item 4120-101-0001 be increased by \$2,010,000 ongoing to support California's multicounty Local Emergency Medical Services Agencies to augment funding for statutorily-required responsibilities and address service delivery gaps driven by cost increases from increased tourism, population growth, and increased mandates over time.

**California Emergency Medical Services Data Resource System Funding Reappropriation (Issue 025)**—It is requested that Item 4120-490 be added to reappropriate up to \$10 million from Item 4120-001-0001, Budget Act of 2021 and be available for encumbrance or expenditure until June 30, 2024 to continue and complete the project planning process for the California Emergency Medical Services (EMS) Data Resource System and to increase data interoperability between hospitals, EMS agencies, and other healthcare organizations (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 Sonal Patel, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee  
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Subcommittee No. 3  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
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Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Marko Mijic, Undersecretary, California Health and Human Services Agency  
Brendan McCarthy, Deputy Secretary, California Health and Human Services Agency  
Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Elizabeth Basnett, Acting Director, Emergency Medical Services Authority  
Louis Bruhnke, Chief Deputy Director, Emergency Medical Services Authority  
Richard Trussell, Chief of Administration, Emergency Medical Services Authority

4120-490—Reappropriation, Emergency Medical Services Authority. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2024:

0001—General Fund

- (1) Up to \$10,000,000 of the amount appropriated in Schedule (1) of Item 4120-001-0001, Budget Act of 2021, to continue and complete the project planning process for the California Emergency Medical Services (EMS) Data Resource System and to connect and increase interoperable health information exchange between EMS providers and EMS Receiving Hospitals via Health Information Exchange Organizations.



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Various Budget Bill Items, and Addition of Item 4140-490, Support and Local Assistance, Department of Health Care Access and Information**

**Office of Health Care Affordability Reappropriation (Issues 084 and 089)**—It is requested that Item 4140-001-0001 be reduced by \$30,000,000 in fiscal year 2022-23. This amount was incorrectly included at the 2022-23 Governor’s Budget and did not correctly reflect the reappropriation of funds for the Office of Health Care Affordability. It is also requested that Item 4140-490 be added to reappropriate the funding and extend the encumbrance and expenditure period to June 30, 2024 (see Attachment 1). This is a technical fix and results in a net zero impact to the General Fund.

**Office of Health Care Affordability (Issue 076)**—It is requested that Item 4140-001-0001 be increased by 59 positions in fiscal year 2022-23 to support the establishment and operation of the Office of Health Care Affordability. One-time resources, included in Chapter 69, Statutes of 2021 (SB 129), will support costs associated with these positions through December 31, 2023. Funding increases to \$13,021,000 and 117 positions in 2023-24; \$31,630,000 and 142 positions in 2024-25; and \$31,580,000 and 142 positions in 2025-26 and annually thereafter. This request complements proposed statutory changes included in the Governor’s Budget to establish the Office of Health Care Affordability.

**Health Workforce Programs and Central Services Resources (Issue 077)**—It is requested that the following adjustments be made to the following items to support new and significantly expanded health workforce development programs:

- Item 4140-001-0001 be increased by 23.8 positions
- Item 4140-001-0143 be increased by 5.0 positions
- Item 4140-001-0181 be increased by 0.7 position
- Item 4140-001-3064 be increased by 0.7 position
- Item 4140-001-3068 be increased by 0.5 position

- Item 4140-001-8034 be increased by 0.2 position
- Health and Safety Code section 128355 be increased by 1.1 positions

Of the 32 positions, funding for 12 positions is proposed in the Governor's Budget and the remaining 20 positions are proposed to be funded within existing resources.

**Reducing the Cost of Insulin: CalRx Biosimilar Insulin Initiative (Issue 079)**—It is requested that Item 4140-001-0001 be increased by \$700,000 in 2022-23 for state operations to fulfill requirements of the CalRx partnership, including monitoring, oversight, and legal compliance, and item 4140-101-0001 be increased by \$100 million one-time in 2022-23 to support the development of three low-cost interchangeable biosimilar insulin products and a California-based insulin manufacturing facility. It is also requested that provisional language be added to Item 4140-001-0001 (see Attachment 2) and Item 4140-101-0001 (see Attachment 3). State operations funding decreases to \$700,000 annually between 2023-24 and 2025-26.

**Health and Home Care Workforce (Issue 088)**—It is requested that Item 4140-001-3397 be decreased by \$1.3 million one-time and Item 4140-101-3397 be decreased by \$24.7 million one-time to reflect a shift in resources to the Department of Health Care Services for provider training in opioid treatment and the Department of Rehabilitation for employment rehabilitation services related to opioid treatment. See related issues in the Department of Health Care Services and Department of Rehabilitation Finance Letters.

**Small Rural Hospital Improvement Program Increase in Expenditure Authority (Issue 071)**—It is requested that Item 4140-101-0890 be increased by \$56,000 ongoing for support of the Small Rural Hospital Improvement Program. The requested increase will allow the Department to award all available federal funds to small and rural hospitals, enabling these institutions to improve their quality of care and remain sustainable.

**Children and Youth Behavioral Health Initiative**—It is requested that provisional language be added to Item 4140-001-0001 to extend the encumbrance and expenditure authority to administer programs in the Children and Youth Behavioral Health Initiative to June 30, 2028 (see Attachment 2).

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

If you have any questions or need additional information regarding this matter, please call Katherine Clark, Assistant Program Budget Manager at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

RICHARD GILLIHAN

Chief Operating Officer

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable John Laird, Chair, Senate Budget and Fiscal Review Subcommittee No. 1  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
Gabriel Petek, Legislative Analyst  
Christopher W. Woods, Senate President pro Tempore's Office  
Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Elizabeth Landsberg, Director, Department of Health Care Access & Information  
Scott Christman, Chief Deputy Director, Department of Health Care Access & Information  
Monica Erickson, Deputy Director Administrative Services, Department of Health Care Access & Information  
Caryn Rizell, Deputy Director Healthcare Workforce Development, Department of Health Care Access & Information

4140-490—Reappropriation, Department of Health Care Access and Information. Notwithstanding any other law, 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, 2024:

0001—General Fund

(1) Up to \$30,000,000 in Item 4140-001-0001, Budget Act of 2021 (Ch. 69, Stats. 2021), shall support the implementation of the Office of Health Care Affordability.

Add Provisions 5 and 6 to Item 4140-001-0001

5. Of the funds appropriated in Schedule (2), \$6,250,000 is available for encumbrance or expenditure until June 30, 2028, to administer the Children and Youth Behavioral Health Initiative workforce programs.

6. Of the funds appropriated in Schedule (1), \$700,000 is available to implement the CalRx Biosimilar Insulin Initiative.



Amend Item 4140-101-0001 as follow:

" 4140-101-0001—For local assistance, the Department of Health Care Access and Information..... ~~460,258,000~~560,258,000

Schedule:

(1) 3831 - Health Care Quality and Affordability.....100,000,000  
~~(1)~~(2)3835-Health Care Workforce .....441,258,000  
~~(2)~~(3) 3840 – Hospital Building .....19,000,000

Provisions:

1. The Department of Finance may authorize the transfer of expenditure authority between this item and Item 4140-001-0001 to effectively administer the programs funded in these items.
2. The funds appropriated in this item shall continue to be available for encumbrance or expenditure until June 30, 2028.
3. Of the funds appropriated in Schedule (1), up to \$18,667,000 is available to fund grant awards for existing primary care residency slots, up to \$3,333,000 is available to fund new primary care residency slots at existing residency programs, and up to \$5,667,000 is available to fund primary care residency slots for existing teaching health centers under the Song-Brown Health Care Workforce Training Act (Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code). Of the funds appropriated in this item, up to \$3,333,000 is available to fund newly accredited primary care residency programs and, as of June 30, 2024, unspent amounts may be redirected to fund new residency slots at existing programs if newly accredited primary care residency programs have not been established. Of the funds appropriated in this item, up to \$333,000 is available for the State Loan Repayment Program.
4. Of the funds appropriated in Schedule (1), \$118,750,000 is to support the Children and Youth Behavioral Health Initiative workforce programs
5. Of the funds appropriated in Schedule (1), \$ 256,975,000 is available for encumbrance or expenditure until June 30, 2028, to administer the Health and Home Care Workforce Program.
6. Of the funds appropriated in Schedule (1), \$19,000,000 is available for encumbrance or expenditure until June 30, 2028, to administer the clinical infrastructure for training and scholarships related to reproductive health.

7. Of the funds appropriated in Schedule (2) \$19,000,000 is available for encumbrance or expenditure until June 30, 2028, to administer capital infrastructure related to reproductive health to facilitate support for healthcare facilities securing physical and digital infrastructure.

8. Of the funds appropriated in Schedule (1), \$100,000,000 is available for encumbrance or expenditure until June 30, 2026, and for liquidation until June 30, 2028, to support the development of three low-cost interchangeable biosimilar insulin products and a California-based insulin manufacturing facility."



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

**Administrative Support Services (Issue 030)**—It is requested that Item 4150-001-0933 be increased by \$1,301,000 and 8 positions to support increased business management services, fiscal services, human resource administrative services, and information technology workload associated with the department’s growth. Funding decreases to \$1,237,000 in fiscal year 2023-24 and annually thereafter.

**Health Plans and Health Insurance: Third-Party Payment Assembly Bill 290 Limited-Term Workload Extension (Issue 031)**—It is requested that Item 4150-001-0933 be increased by \$782,000 in fiscal year 2022-23 to support the equivalent of four limited-term positions and clinical consulting services to address the required activities in Chapter 862, Statutes of 2019 (AB 290). Funding decreases to \$750,000 in 2023-24.

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

If you have any questions or need additional information regarding this matter, please call Katherine Clark, Assistant Program Budget Manager, at (916) 995-0468.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
Gabriel Petek, Legislative Analyst  
Christopher W. Woods, Senate President pro Tempore's Office  
Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Mary Watanabe, Director, Department of Managed Health Care  
Dan Southard, Chief Deputy Director, Department of Managed Health Care  
Christin Hemann, Deputy Director of Legislative Affairs, Department of Managed Health Care  
Nichole Eshelman, Deputy Director of Administrative Services, Department of Managed Health Care



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Various Items in the Budget Bill, and Addition of Item 4260-490, Support and Local Assistance, and Statutory Changes, Department of Health Care Services**

**Data Analytics and Management Support (Issue 192)**—It is requested that Item 4260-001-0001 be increased by \$3,794,000 and Item 4260-001-0890 be increased by \$3,793,000 ongoing for 15 positions and limited-term personnel and contract resources to enhance data analytics, management, and reporting functions.

**Interoperability Federal Rule Implementation (Issue 193)**—It is requested that Item 4260-001-0001 be increased by \$2,260,000 and Item 4260-001-0890 be increased by \$2,260,000 ongoing to support 6 existing positions and limited-term resources for planning activities to comply with federally required health information system interoperability rules, and to oversee ongoing interoperability program efforts. It is also requested that Item 4260-490 be added to reappropriate \$2.3 million (\$575,000 General Fund, \$1,725,000 Federal Fund) from the Budget Act of 2021 to support contracting resources (see Attachment 1).

**California Medi-Cal Enterprise Systems Modernization (Issue 194)**—It is requested that Item 4260-001-0001 be increased by \$2,721,000 and Item 4260-001-0890 be increased by \$18,073,000 ongoing for 5 positions and limited-term contract resources to support information technology projects as part of the overall Medi-Cal Enterprise Systems Modernization effort.

**Office of Compliance (Issue 195)**—It is requested that Item 4260-001-0001 be increased by \$1,070,000 and Item 4260-001-0890 be increased by \$1,070,000 ongoing for 12 positions and limited-term contract resources to enhance internal audit, federal compliance, and enterprise risk management activities.

**Behavioral Health Bridge Housing Program (Issues 196 and 208)**—It is requested that Item 4260-101-0001 be decreased by \$42,064,000 one-time and Item 4260-001-0001 be increased by \$42,064,000 one-time and 16 positions to administer the Behavioral Health Bridge Housing Program over five years. It is also requested that provisional language be added to Item 4260-001-0001 and provision 17 of Item 4260-101-0001 be amended (see Attachments 2 and 3).

**Opioid Settlements Fund Oversight and State-Directed Programs (Issue 197)**—It is requested that Item 4260-001-3397 be increased by \$33,916,000 and 11 positions in fiscal year 2022-23, \$2,617,000 in fiscal year 2023-24 and ongoing to provide multiyear oversight of the Opioid Settlements Fund as required under two national settlements, support three-year limited-term substance use disorder provider training, and operate a web-based statewide addiction treatment locator platform and related outreach campaign on a three-year limited-term basis. It is also requested that provisional language be added to Item 4260-001-3397 (see Attachment 4). See related issues in the Department of Health Care Access and Information, Department of Public Health, and Department of Rehabilitation Finance Letters.

**California Advancing and Innovating Medi-Cal (CalAIM) Implementation (Issue 198)**—It is requested that Item 4260-001-0001 be increased by \$53,893,000 and Item 4260-001-0890 be increased by \$53,892,000 ongoing to support 97 positions and limited-term personnel and contract resources for continued implementation of CalAIM including new federal waiver requirements, the CalAIM Justice Package, and the development of the Serious Mental Illness/Serious Emotional Disturbance waiver. Additionally, it is requested that provisional language be added to Item 4260-001-0001 and Item 4260-001-0890 to make technical assistance and evaluation contract funding available over the duration of the federal waiver (see Attachment 5).

**COVID-19 Public Health Emergency – Resuming Regular Operations (Issue 199)**—It is requested that Item 4260-001-0001 be increased by \$13,117,000 and Item 4260-001-0890 be increased by \$13,117,000 to provide three-year limited-term resources equivalent to 8 positions and contract funding to support program, policy and system-related changes associated with the unwinding of the COVID-19 Public Health Emergency.

**Managed Care Plan Compliance and Oversight Program (Issue 200)**—It is requested that Item 4260-001-0001 be increased by \$1,605,000 and Item 4260-001-0890 be increased by \$1,605,000 ongoing for 13 positions and limited-term contract resources to support expanded compliance and oversight activities associated with the new Medi-Cal managed care plan contracts taking effect January 1, 2024.

**Managed Care Program Annual Report (Issue 201)**—It is requested that Item 4260-001-0001 be increased by \$1,756,000 and Item 4260-001-0890 be increased by \$1,756,000 ongoing for 21 positions and limited-term contract resources to comply with new reporting requirements from the federal Centers for Medicare and Medicaid Services for the Managed Care Annual Program Oversight Report.

**Statutory Changes: Shift of Suicide Prevention Voluntary Contribution Fund Administrator for 9-8-8 National Suicide Prevention Lifeline Grants (Issue 206)**—It is requested that statutory changes be adopted to shift provisions applicable to the continuously-appropriated Suicide Prevention Voluntary Contribution Fund from the Mental Health Services Oversight and Accountability Commission to the Department of Health Care Services effective July 1, 2022. Chapter 445, Statutes of 2019 (AB 984) requires the funds primarily support grants to crisis centers. The proposed statutory changes are intended to align programs that support crisis centers operating the 9-8-8 National Suicide Prevention Lifeline, which will be implemented July 16, 2022. The statutory changes would authorize the Department of Health Care Services to grant an estimated \$1,050,000 in fiscal year 2022-23 to crisis centers.

**Residential and Outpatient Program Licensing Fund (ROPLF) Fee Increase**—It is requested that all substance use disorder residential licensure and certification fees deposited into the ROPLF be increased by approximately 63 percent, effective July 1, 2022. For reference, the initial combined residential licensure and certification application fee would increase from \$4,068 to \$6,631. This increase is needed because license and certification fees for residential and outpatient programs have not been adjusted since 2014 and would address the ongoing deficiency in the fund that has been exacerbated by impacts of the COVID-19 Public Health Emergency. This request revises the estimated ROPLF fee increase noted in the Governor's Budget proposal to support Chapter 443, Statutes of 2021 (AB 1158) (see Attachment 6).

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, Andrew Duffy, or Iliana Ramos, Principal Program Budget Analysts, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

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Brendan McCarthy, Deputy Secretary, California Health and Human Services Agency  
Kimberly Chen, Assistant Secretary, California Health and Human Services Agency  
Michelle Baass, Director, Department of Health Care Services  
Jacey Cooper, Chief Deputy Director, Department of Health Care Services  
Erika Sperbeck, Chief Deputy Director, Department of Health Care Services  
Lori Walker, Deputy Director and Chief Financial Officer, Department of Health Care  
Services



4260-490—Reappropriation, State Department of Health Care Services. The amount specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2023:

0001—General Fund

(1) \$575,000 in Item 4260-001-0001, Budget Act of 2021

0890—Federal Fund

(1) \$1,725,000 in Item 4260-001-0890, Budget Act of 2021

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

8. Of the funds appropriated in Schedule (1) of this item, \$42,064,000 is available for encumbrance or expenditure until June 30, 2027, for the State Department of Health Care Services to implement the Behavioral Health Bridge Housing Program.

Amend Provision 17 of Item 4260-101-0001 as follows:

- " 17. (a) Of the funds appropriated in this item, \$1,000,000,000\$957,936,000 in Schedule (3) is available to implement the Behavioral Health Bridge Housing Program to award competitive grants to qualified counties and tribal entities to address the immediate housing and treatment needs of people experiencing unsheltered homelessness who have serious behavioral health conditions and shall be available for encumbrance or expenditure until June 30, 2027. Upon order of the Department of Finance, up to 5 percent of the funds made available pursuant to this provision may be transferred to Schedule (1) of Item 4260-001-0001 for administration of the program and are available for expenditure or encumbrance until June 30, 2027.
- (b) The State Department of Health Care Services shall determine the methodology and distribution of the grant funds appropriated for the Behavioral Health Bridge Housing Program.
- (c) An entity shall expend funds to supplement and not supplant existing funds provided for the housing and treatment needs of people experiencing unsheltered homelessness who have serious behavioral health conditions to receive grant funds.
- (d) The Behavioral Health Bridge Housing Program shall be implemented only if, and to the extent that, the department determines that federal financial participation under the Medi-Cal program is not jeopardized.
- (e) Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the department may implement, interpret, or make specific this provision, in whole or in part, by means of information notices or other similar instructions, without taking any further regulatory action.
- (f) For purposes of implementing the Behavioral Health Bridge Housing Program, the department may enter into exclusive or nonexclusive contracts, or amend existing contracts, on a bid or negotiated basis. Contracts entered into or amended pursuant to this provision shall be exempt from Chapter 6 (commencing with section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code, Section 19130 of the Government Code, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, and the State Administrative Manual, and shall be exempt from the review or approval of any division of the Department of General Services."

Add the following provision to Item 4260-001-3397:

1. Of the funds appropriated in Schedule (1) of this item, \$31,200,000 is available for encumbrance or expenditure until June 30, 2025, to support substance use disorder provider training and to operate a web-based statewide addiction treatment locator platform and related outreach campaign.

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

8. Of the funds appropriated in Schedule (1) of this item, \$44,438,000 is available for encumbrance or expenditure until June 30, 2029, to support technical assistance and evaluation contracts for the CalAIM Initiative.

Add the following provision to Item 4260-001-0890:

2. Of the funds appropriated in Schedule (1) of this item, \$44,437,000 is available for encumbrance or expenditure until June 30, 2029, to support technical assistance and evaluation contracts for the CalAIM Initiative.

**Residential and Outpatient Program Licensing Fund  
Proposed Fee Increase Effective July 1, 2022**

**Summary**

It is requested that all substance use disorder (SUD) residential licensure and certification fees deposited into the Residential and Outpatient Program Licensing (ROPLF) be increased from \$4,068 to \$6,631, effective July 1, 2022.

**Background**

Pursuant to Health and Safety Code section 11833.02, ROPLF is funded through SUD provider licensing and certification fees. The Department of Health Care Services (DHCS) is projecting a ROPLF structural deficit in 2022-23 and ongoing because projected revenues are insufficient to cover estimated expenditures. DHCS last increased fees for SUD facilities in 2014 through [MHSUD Information Notice 14-022](#). Since that time, nine legislative bills have been enacted, resulting in significant increased workload and expenditures for an additional 31 positions, without an increase to fees. In addition, the fund was impacted by program closures and requests for fee waivers due to the COVID-19 Public Health Emergency. ROPLF can no longer support DHCS' existing statutorily-required licensing oversight without a fee increase.

**Revised Proposal**

The 2022-23 Governor's Budget included a Budget Change Proposal 4260-080-BCP-2022-GB requesting to increase all fees by 45 percent based on initial estimates. However, updated data and estimates indicate that fees must be increased by 63 percent effective July 1, 2022 so revenues are sufficient to cover expenditures for DHCS' current, statutorily-required licensing oversight.

<b>63 PERCENT FEE INCREASE EFFECTIVE JULY 1, 2022</b>	
	FY 2022-23
Revenues	\$9,420,000
Expenditures	\$9,420,000
<b>Total Balance</b>	<b>\$0</b>



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendments to Items 4265-001-0001 and 4265-001-3397, Support, Department of Public Health**

**Information Technology, Data Science, and Informatics Framework for a 21<sup>st</sup> Century Public Health System (Issue 273)**—It is requested that Item 4265-001-0001 be increased by \$20,109,000 and 33 positions to initiate planning activities for ten information technology strategic initiatives that will inform the development and implementation of a comprehensive digital and technology transformation; to begin integration of multiple diverse data sets and public health information to create a common integrated platform; and to enhance system wide data governance and standards. It is also requested that provisional language be added to Item 4265-001-0001 to extend encumbrance or expenditure authority to June 30, 2024 and augment this item by up to \$15,882,000 upon approval of enterprise planning and strategy documents (see Attachment 1). Funding decreases to \$18,146,000 in 2023-24 and annually thereafter and also supports the establishment of a departmental information technology and data science training program and a student workforce training program.

**Opioid Public Awareness Campaign and Surveillance (Issue 271)**—It is requested that Item 4265-001-3397 be decreased by \$11,916,000 one-time to reflect a shift in resources to the Department of Health Care Services for costs associated with oversight of the Opioid Settlements Fund, substance use disorder provider training, and operation of a web-based statewide addiction treatment locator platform and an associated outreach campaign. It is also requested that provisional language in Item 4265-001-3397 be amended to reflect this adjustment (see Attachment 2). See related issue in the Department of Health Care Services' Finance Letter.

**Children and Youth Behavioral Health Initiative**—It is requested that provisional language be added to Item 4265-001-0001 to extend the encumbrance and

expenditure authority of funding for the Children and Youth Behavioral Initiative until June 30, 2024 (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 Sonal Patel, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

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Chief Deputy Director

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Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Marko Mijic, Undersecretary, California Health and Human Services Agency  
Brendan McCarthy, Deputy Secretary of Program and Fiscal Affairs, California Health and  
Human Services Agency  
Julie Souliere, Assistant Secretary, California Health and Human Services Agency  
Dr. Tomas Aragon, State Public Health Officer, California Department of Public Health  
Susan Fanelli, Chief Deputy Director of Policy and Programs, California Department of  
Public Health  
Brandon Nunes, Chief Deputy Director of Operations, California Department of Public  
Health

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

14. Of the amount appropriated in Schedule (2), \$50,000,000 shall be available for encumbrance or expenditure until June 30, 2024, for the Children and Youth Behavioral Health Initiative.

15. (a) Of the amount appropriated in Schedule (2), \$20,109,000 shall be available for encumbrance or expenditure until June 30, 2024, for the Information Technology, Data Science, and Informatics Framework for a 21st Century Public Health System.

(b) This amount may be augmented by up to \$15,882,000 for planning activities associated with Initiative 0 Enterprise Planning and Strategy, Initiative 1 Dynamic Public Health Structure, and Initiative 4 Public Health Data Integration of the Information Technology, Data Science, and Informatics Framework for a 21st Century Public Health System. Expenditure of these funds is contingent upon approval of enterprise planning and strategy documents by California Health and Human Services Agency and the Department of Technology. Department of Finance approval shall consider verified satisfactory progress associated with Initiative 0 planning. Any necessary Project Approval Lifecycle documents must be approved by Department of Technology.

Amend Provision 1 of Item 4265-001-3397 as follows:

"1. Of the amount appropriated in Schedule (1), ~~\$38,084,000~~ ~~\$50,000,000~~ shall be available on a one-time basis for encumbrance or expenditure until June 30, 2025, to support the Opioid Public Awareness Campaign. Contracts entered into or amended pursuant to this provision are exempt from Chapter 6 (commencing with Section 14825) of Part 5.5 of Division 3 of Title 2 of the Government Code. They are also not subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code or Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code or Section 19130 of the Government Code, the State Administrative Manual, the State Contracting Manual, and are exempt from the review or approval of any division of the Department of General Services."



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendments to Budget Bill Item 4300-001-0001 and Reimbursements, Support, and Statutory Changes, Department of Developmental Services**

**Resources for e-Signature/e-Forms and Accounting Support (Issue 070)**—It is requested that Item 4300-001-0001 be increased by \$409,000 and 3.2 positions and reimbursements be increased by \$27,000 and 0.8 positions. These adjustments provide ongoing resources for implementation and maintenance of an electronic signature and forms system for the Department, as well as position authority to maintain accounting support.

**Facility Clinical Software Replacement and Electronic Health Record Implementation (Issue 071)**—It is requested that Item 4300-001-0001 be increased by \$1,578,000 and 4 positions and reimbursements be increased by \$155,000 and 1 position. Within the total position request is included two-year limited-term resources equivalent to 3 positions. These adjustments provide resources to support planning for electronic health record implementation and the replacement of clinical software used by the Department's state-operated residential facilities. This issue includes a request for \$2,018,000 General Fund and \$155,000 in reimbursements for 2023-24 and \$178,000 General Fund and \$45,000 in reimbursements ongoing beginning in 2024-25.

**Division of Community Assistance and Resolutions (Issue 074)**—It is requested that Item 4300-001-0001 be increased by \$3,737,000 and 16 positions and reimbursements be increased by \$706,000 and 4 positions. These adjustments provide ongoing resources to establish the Division of Community Assistance and Resolutions, which would include the newly created Fair Hearings and Appeals Section and Office of the Ombudsperson, as well as the existing Office of Quality Assurance and Risk Management, which is proposed to be divided into two respective offices. Additionally, it is requested that corresponding statutory changes be added to establish the Office of the Ombudsperson and modify the fair hearings process. This request also includes \$915,000

ongoing to support an interagency agreement with the Department of General Services for workload associated with fair hearings. See related issue in the Department of General Services Finance Letter.

**Research and Data Enhancements (Issue 076)**—It is requested that Item 4300-001-0001 be increased by \$2,007,000 and 15.2 positions and reimbursements be increased by \$477,000 and 3.8 positions. These adjustments provide ongoing resources for the Department to expand its information technology and research divisions, with an emphasis on data collection to improve outcomes and equity in service access. Additionally, it is requested that corresponding statutory changes be added regarding the availability of data.

**2018 Deferred Maintenance - Reappropriation (Issue 082)**—It is requested that Item 4300-490 be amended to reappropriate deferred maintenance funding appropriated in the 2018 Budget Act and reappropriated in the 2021 Budget Act, extending the encumbrance period to June 30, 2023 (see Attachment 1). Additional time is needed to complete the replacement of air handlers due to project delays, including COVID-19 Pandemic-related impacts.

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 Kia Cha, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

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

Amend Item 4300-490 as follows:

"4300-490—Reappropriation, State Department of Developmental 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 as specified:

0001—General Fund

(1) \$500,000 in Item 4300-003-0001, Budget Act of 2016 (Ch. 23, Stats. 2016), for purposes of providing a retention stipend for existing employees on staff for the warm shutdowns of developmental centers shall be available for encumbrance or expenditure for the duration of warm shutdown.

(2) \$6,100,000 in Item 4300-001-0001, Schedule (2), Budget Act of 2019, for activities related to the department's Federal Claims Reimbursement System Project and shall be available for encumbrance or expenditure until June 30, 2023.

(3) \$750,000 in Item 4300-001-0001, Budget Act of 2018, as reappropriated by Item 4300-490, Budget Act of 2021, for purposes of deferred maintenance shall be available for encumbrance or expenditure until June 30, 2023."



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Addition of Budget Bill Item 4440-490, Support, Department of State Hospitals**

**Pharmacy Modernization – Phase 3 (Issue 061)**—It is requested that Item 4440-490 be added to reappropriate up to \$2.7 million from Item 4440-011-0001 of the 2021 Budget Act to continue the implementation of the pharmacy modernization project for two of the five hospitals (see Attachment 1). Due to delays in the Project Approval Lifecycle process, attributable to the impacts of COVID-19 and an extended procurement phase, the Department was not able to fully expend this funding as initially budgeted. It is anticipated that activities supported by this funding will occur in fiscal year 2022-23.

This issue includes a request for \$3.2 million in 2023-24, \$3.0 million in 2024-25, \$2.9 million in 2025-26, and \$1.2 million in 2026-27 to address cost increases since the project was originally estimated in 2019. These costs are associated with equipment, installation, and configuration to complete the implementation of the Pharmacy Modernization project for all five state hospitals and maintenance and operations through November 2026 when contracts and extensions end.

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 Kia Cha, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li  
ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page



cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
Gabriel Petek, Legislative Analyst  
Christopher W. Woods, Senate President pro Tempore's Office  
Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
Katja Townsend, Capitol Director, Assembly Republican Leader's Office  
Marko Mijic, Undersecretary, Health and Human Services Agency  
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency  
Darci Delgado, Assistant Secretary, Health and Human Services Agency  
Stephanie Clendenin, Director, Department of State Hospitals  
Chris Edens, Chief Deputy Director – Program Services, Department of State Hospitals  
Brent Houser, Chief Deputy Director – Operations, Department of State Hospitals  
Marcelo Acob, Chief Financial Officer, Department of State Hospitals  
Sean Hammer, Admin Deputy Director, Department of State Hospitals  
Stephanie Chambers, Budget Officer, Department of State Hospitals

4440-490—Reappropriation, State Department of State Hospitals. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2023:

0001—General Fund

(1) Item 4440-011-0001, Budget Act of 2021, Program 4400020-Hospital Administration shall support the Pharmacy Modernization project.



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

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

**Mental Health Student Services Act Partnership Grant Program Position Authority Only (Issue 031)**—It is requested that Item 4560-001-3085 be increased by 5 permanent positions to support the administration of a one-time augmentation to the Mental Health Student Services Act Partnership Grant Program. Specifically, the 2021 Budget Act includes a \$205 million one-time Mental Health Services Fund augmentation (\$25 million state operations and \$180 million local assistance), available over five years, to support the program. However, no corresponding position authority has been provided to the Commission for administration of one-time funds.

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

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

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

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



April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Item 5160-001-0890, and Addition of Item 5160-001-3397, Support, Department of Rehabilitation**

**Disability Innovation Fund – Pathways to Success Program (Issue 027)**—It is requested that Item 5160-001-0890 be increased by \$3,667,000 to provide additional federal fund authority to implement the Pathways to Success Program. This pilot project targets underrepresented communities, and aims to increase competitive integrated employment outcomes, economic self-sufficiency, independence, and inclusion for individuals with disabilities seeking to enter high-wage, high-skill, and high-demand careers, including those in science, technology, engineering, and mathematics. The Department received a grant award of \$18,335,000 from the federal Disability Innovation Fund for this program, and is anticipating to expend \$3,667,000 annually over a five-year period. This federal grant does not require a state match.

It is also requested that provisional language be added to Item 5160-001-0890 to make the grant funds available for encumbrance or expenditure through September 30, 2026 to provide flexibility for the Department to expend the funds by the end of the grant period (see Attachment 1).

**Opioid Settlements Fund – Vocational Rehabilitation Services for Consumers with Substance Use Disorders (Issue 028)**—It is requested that Item 5160-001-3397 be added in the amount of \$4 million Opioid Settlements Fund, on a one-time basis, to implement the Integrating Employment in Recovery Program. This pilot program will provide training to providers of behavioral health services on incorporating employment services as a part of recovery for people with disabilities with substance use disorders related to opioid use, and will also provide vocational rehabilitation employment services to these consumers in certain treatment centers. It is also requested that provisional language be added to Item 5160-001-3397 to establish authority for the pilot program and to make this funding available for encumbrance or expenditure through

June 30, 2025 to provide flexibility for the Department to expend the funding over three years (see Attachment 2). See related issues in the Department of Health Care Access and Information, Department of Public Health, and Department of Health Care Services Finance Letters.

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 Kia Cha, Principal Program Budget Analyst, at (916) 445-6423.

KEELY MARTIN BOSLER

Director

By:

/s/ Erika Li

ERIKA LI

Chief Deputy Director

Attachment

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
Honorable Chris R. Holden, Chair, Assembly Appropriations Committee  
Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
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Marko Mijic, Undersecretary, Health and Human Services Agency  
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency  
Darci Delgado, Assistant Secretary, Health and Human Services Agency  
Joe Xavier, Director, Department of Rehabilitation  
Andi Mudryk, Chief Deputy Director, Department of Rehabilitation  
David Kwan, Assistant Deputy Director, Department of Rehabilitation  
Rowena Okada, Budget Analyst, Department of Rehabilitation

Add the following provision to Item 5160-001-0890:

- 
2. The amount appropriated in Schedule (1) of this item from the federal Disability Innovation Fund for the Pathways to Success Program shall be available for encumbrance or expenditure until September 30, 2026, to support this pilot program.

5160-001-3397—For support of Department of Rehabilitation, payable from the Opioid Settlements Fund.....4,000,000

Schedule:

(1) 4210-Vocational Rehabilitation Services.....4,000,000  
(2) 9900100-Administration..... 579,000  
(3) 9900200-Administration—Distributed..... -579,000

Provisions:

1. The amount appropriated in this item shall be available for encumbrance or expenditure until June 30, 2025, to implement the pilot Integrating Employment in Recovery Program.
2. The Department of Rehabilitation shall provide training on evidence-based practices to providers of behavioral health services to people with disabilities with substance use disorders related to opioid use as a part of recovery. The department shall also provide vocational rehabilitation employment services co-located in treatment centers in targeted regions throughout the state to serve diverse communities as an integral part of behavioral health treatment.
3. The Department of Rehabilitation may provide goods and services to program participants that the Department of Rehabilitation determines are necessary for the participation in a work experience or job training, which may include, but are not limited to, clothes, uniforms, tools, transportation, reasonable accommodations, and other goods or services necessary to participate in the job training or work.





April 1, 2022

Honorable Nancy Skinner, Chair  
Senate Budget and Fiscal Review Committee

Attention: Joe Stephenshaw, Staff Director

Honorable Phil Ting, Chair  
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

**Amendment to Budget Bill Items 5180-001-0001, 5180-001-0890, and Reimbursements, and Addition of Item 5180-402, Support, Department of Social Services**

**Child and Family Services Acute Review and Response (Issue 129)**—It is requested that Item 5180-001-0001 be increased by \$257,000 and Item 5180-001-0890 be increased by \$94,000 to support 2 permanent positions for the Children’s Services Quality Management Branch to enhance foster youth case review oversight and respond to statewide trends in emergent safety and well-being concerns raised for children in the Child Welfare System.

**Electronic Benefit Transfer (EBT) Fraud and Theft Prevention (Issue 130)**—It is requested that Item 5180-001-0001 be increased by \$221,000 and Item 5180-001-0890 be increased by \$459,000 to support 4 permanent positions for workload related to statewide investigation and prevention of EBT fraud and theft.

**Increasing Support for CalWORKs Program Innovation (Issue 133)**—It is requested that Item 5180-001-0001 be increased by \$1,231,000 to support 7 permanent positions to resume work on CalWORKs Outcomes and Accountability Review activities.

**Emergency Capacity and Capabilities (Issue 134)**—It is requested that Item 5180-001-0001 be increased by \$2,266,000 to support 12 permanent positions for the Disaster Services Branch’s mass care and shelter responsibilities. The requested resources will address ongoing workload and allow the Department to establish a third emergency response region consistent with the California Office of Emergency Services’ Disaster Response Administrative Regions.

**Migrating Data from Legacy Systems (Issue 135)**—It is requested that Item 5180-001-0001 be increased by \$1,464,000 one-time to support 2 position equivalents for one year and continue data migration from the Field Automation System, Licensing Information System, Incident and Death Reporting System, Administrator Certification System, and Legal Case Tracking Systems to a new staging relational database.

**County Expense Claim Information System (CECRIS) Augmentation (Issue 137)**—It is requested that Item 5180-001-0001 be increased by \$880,000, Item 5180-001-0890 be increased by \$759,000, and reimbursements be increased by \$410,000 to provide the project two-year, limited-term resources to support remaining development of the CECRIS system.

**Child Care Policy and Program Support (Issue 156)**—It is requested that Item 5180-001-0001 be increased by \$9,522,000 and Item 5180-001-0890 be increased by \$4,874,000 for 16.5 permanent positions and 3 three-year position equivalents to support the Child Care and Development Division, California Supporting Providers and Reaching Kids data system development, Child Care and Development Infrastructure Grant Program administration, and direct deposit payments for child care and development contractors. It is requested that provisional language be amended in Item 5180-001-0001 to authorize up to \$6 million to operationalize direct deposits while the state works to develop and implement its own electronic payment system, upon approval of the Department of Finance (see Attachment 1).

**Refugee Programs Bureau Operations Support (Issue 123)**—It is requested that Item 5180-001-0890 be increased by \$3,140,000 to support 18 positions for Refugee Resettlement Programs to address increased caseload pressures associated with providing cash aid assistance, workforce and educational supports, and wraparound services to California's newly arrived refugee populations.

**Home Care Fund General Fund Loan Forgiveness (Issue 158)**—It is requested that Item 5180-402 be added to forgive General Fund loan repayments required pursuant to Chapter 790, Statutes of 2013 (AB 1217), in the amount of \$5,681,000 (see Attachment 2).

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

If you have any questions or need additional information regarding this matter, please call Gabrielle Santoro, Hinnaneh Qazi, or Justin Freitas, Principal Program Budget Analysts, at (916) 445-6423.

KEELY MARTIN BOSLER  
Director  
By:

/s/ Erika Li

ERIKA LI  
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Anthony Portantino, Chair, Senate Appropriations Committee  
Attention: Mark McKenzie, Staff Director  
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee  
Attention: Kirk Feely, Fiscal Director  
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Attention: Jay Dickenson, Chief Consultant  
Honorable Vince Fong, Vice Chair, Assembly Budget Committee  
Attention: Joseph Shinstock, Fiscal Director  
Honorable Susan Talamantes Eggman, Chair, Senate Budget and Fiscal Review  
Subcommittee No. 3  
Honorable Dr. Joaquin Arambula, Chair, Assembly Budget Subcommittee No. 1  
Honorable Kevin McCarty, Chair, Assembly Budget Subcommittee No. 2  
Gabriel Petek, Legislative Analyst  
Christopher W. Woods, Senate President pro Tempore's Office  
Jason Sisney, Assembly Speaker's Office  
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office  
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Marko Mijic, Undersecretary, Health and Human Services Agency  
Brendan McCarthy, Deputy Secretary, Health and Human Services Agency  
Nick Picinich, Assistant Secretary, Health and Human Services Agency  
Kim Johnson, Director, Department of Social Services  
Claire Ramsey, Chief Deputy Director, Department of Social Services  
Jennifer Troia, Chief Deputy Director, Department of Social Services  
Marcela Ruiz, Chief Deputy Director, Department of Social Services  
Salena Chow, Chief Operating Officer, Department of Social Services  
Yang Lee, Chief Financial Officer, Department of Social Services  
Nathan Hart, Budget Bureau Chief, Department of Social Services

Amendment to Provision 11 of Item 5180-001-0001 as follows:

“11. The State Department of Social Services may contract with a vendor to provide direct deposit to child care contractors. Of the amount appropriated in Schedule (1), up to \$6,000,000 shall be available for this purpose upon approval of the Department of Finance. Contracts awarded pursuant to this section shall allow for advance payment. The department is hereby authorized to provide advance payment in order to implement direct deposit to child care contractors. Contracts awarded pursuant to this section 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. For purposes of this provision, the State Department of Social Services is exempt from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code and from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code.”

5180-402—Of the amount loaned pursuant to Health and Safety Code, Article 9, section 1796.47(a), \$5,681,000 will not be required to be repaid.