Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 3 Agenda

Senator Caroline Menjivar, Chair
Senator Susan Talamantes Eggman, Ph.D.
Senator Shannon Grove
Senator Richard D. Roth

Thursday, March 30, 2023
9:30 am, or upon adjournment of session
1021 O Street – Room 1200

Consultant: Scott Ogus

PUBLIC COMMENT

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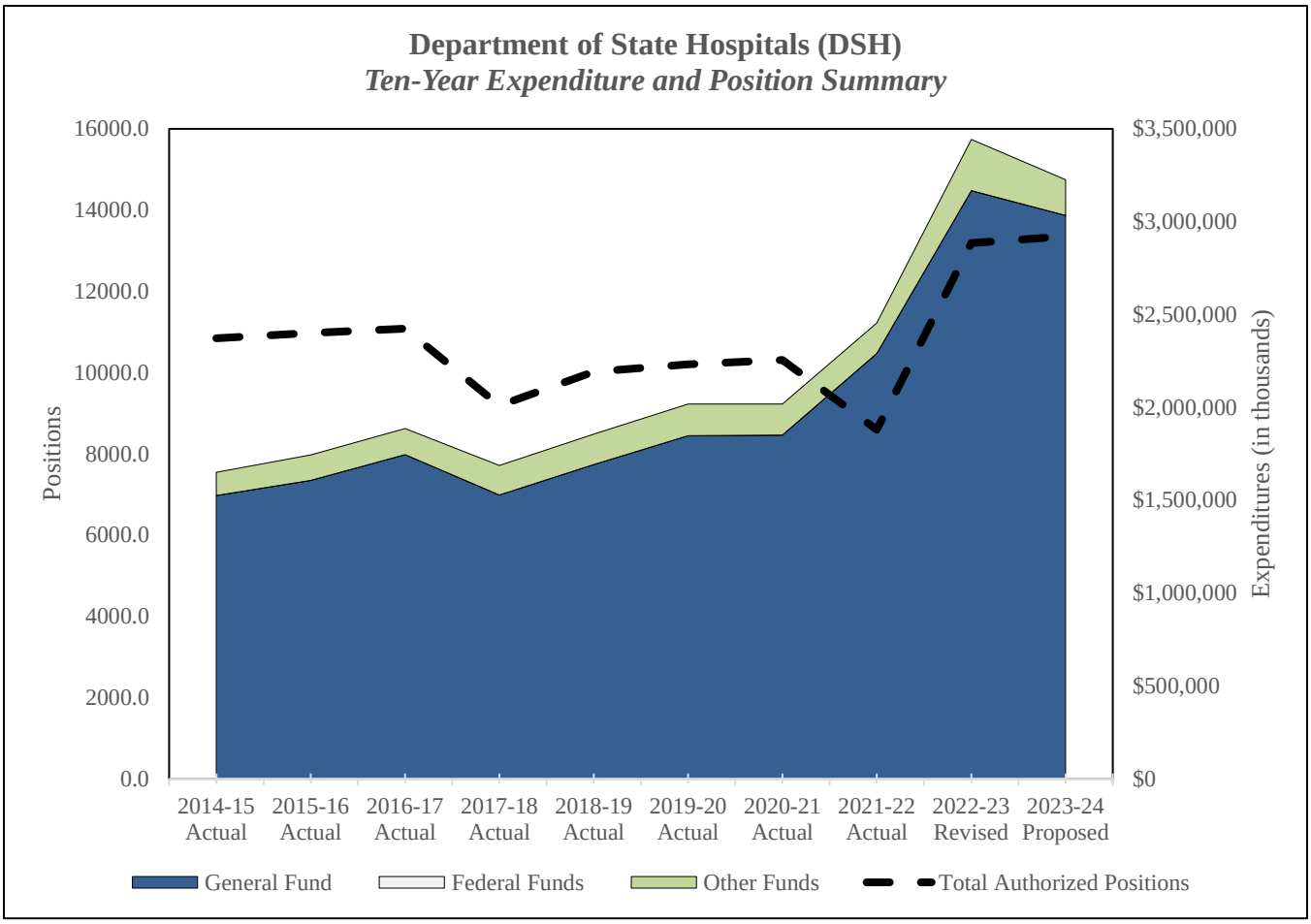
4440 DEPARTMENT OF STATE HOSPITALS

Issue 1: Overview



Department of State Hospitals - *Department Funding Summary* *(dollars in thousands)*				
Fund Source	**2021-22 Actual**	***2022-23 Budget Act***	***2022-23 Revised***	***2023-24 Proposed***
General Fund	$2,290,791	$2,860,483	$3,167,196	$3,033,294
Federal Funds	$0	$0	$0	$0
Other Funds	$162,680	$275,987	$275,987	$192,863
Total Department Funding:	**$2,453,471**	**$3,136,470**	**$3,443,183**	**$3,226,157**
Total Authorized Positions:	**8592.3**	**13186.2**	**13186.2**	**13352.2**
Other Funds Detail:				
CA State Lottery Education Fund (0814)	*$17*	*$19*	*$19*	*$19*
Reimbursements (0995)	*$162,663*	*$192,844*	*$192,844*	*$192,844*

CA Emergency Relief Fund (3398)	*$0*	*$83,124*	*$83,124*	*$0*

Background. DSH oversees five state hospitals which comprise the largest inpatient forensic mental health hospital system in the nation. In addition to forensic admissions, which comprise 87.2 percent of its population, the five state hospitals admit individuals civilly committed under the Lanterman-Petris-Short (LPS) Act because they require physically secure 24-hour care and meet legal criteria that they represent a danger to themselves or others. The categories of individuals admitted to state hospitals for treatment are:

- **Incompetent to Stand Trial (IST) –** IST patients are referred to DSH under Section 1370 of the Penal Code if a court has determined they are unable to understand the nature of criminal proceedings or assist counsel in their defense. IST patients receive competency-based treatment and are returned to court once able to participate in court proceedings. Most IST patients are charged with felonies, with some misdemeanors.

- **Not Guilty by Reason of Insanity (NGI) –** NGI patients are individuals found guilty of an offense, but are admitted to DSH if a court determines the individual was "insane" at the time the crime was committed. NGI patients are committed for a term equal to the maximum sentence which could have been imposed, though may be recommitted for an additional two years if the individual represents a substantial danger of physical harm.

- **Offenders with a Mental Health Disorder (OMD) –** OMD patients are parolees who meet the following six criteria for OMD classification: (1) presence of a severe mental disorder, (2) the mental disorder is not in remission or requires treatment to be kept in remission, (3) the mental disorder was a factor in the commitment offense, (4) the prisoner has been in treatment at least 90 days in the year prior to release, (5) the commitment offense involved force or violence or serious bodily injury, (6) the prisoner continues to be dangerous due to the severe mental disorder. OMD commitments under Section 2962 of the Penal Code span the length of the parole term, but may be extended for up to one year if the patient represents a danger of physical harm to others.

- **Sexually Violent Predators (SVP)** – SVP commitments are civil commitments of prisoners released from prison who meet certain criteria under the Sexually Violent Predator Act, including being convicted of certain sex offenses and diagnosed with a mental disorder that increases the likelihood of engaging in sexually violent criminal behavior. SVP patients undergo an annual review process to evaluate the patient's suitability for release into the community, either conditionally or without supervision.

- **Lanterman-Petris-Short (LPS) –** LPS patients are individuals that require physically secure 24-hour care and are committed through civil court proceedings that determine the individual is a danger to themselves or others or suffers from a grave disability. LPS patients are discharged when their county of residence places them in a different facility, in independent living, or with family, or if a court removes the conservatorship.

- ***Coleman* Class Patients (Mentally Ill Prisoners)** – *Coleman* patients are referred by the California Department of Corrections and Rehabilitation (CDCR) when they are found to be mentally ill while in prison. *Coleman* patients return to CDCR custody when they have received the maximum benefit from treatment. If these individuals are still mentally ill at the end of their prison term, they may be committed to DSH as an OMD.

- **Conditional Release Program (CONREP)** – CONREP provides outpatient treatment to individuals ordered by a court to be released if their symptoms have been stabilized and they no longer represent a danger to society. After one year, a court hearing determines if the patient will continue in the program, be sent back to DSH, or be released.

	2022-23	2023-24
Population by Hospital		
Atascadero	1,001	1,001
Coalinga	1,327	1,327
Metropolitan	805	805
Napa	1,014	1,014
Patton	1,311	1,321
State Hospitals Population Total	**5,458**	**5,468**
Population by Commitment Type		
Incomptent to Stand Trial (IST)	1,366	1,370
Not Guilty by Reason of Insanity (NGI)	1,246	1,246
Offender with a Mental Health Disorder (OMD)	1,077	1,083
Sexually Violent Predator (SVP)	956	956
Lanterman-Petris-Short Civil Commitments (LPS)	698	698
Coleman Referrals	115	115
Contracted Programs		
Jail-Based Competency Treatment (JBCT) Programs	451	615
Community-Based Restoration	935	2,000
Community Inpatient Facilities	78	157
Contracted Programs Population Total	**1,464**	**2,772**
CONREP Programs		
CONREP SVP	27	27
CONREP Non-SVP	655	655
CONREP FACT Program	180	180
CONREP Step Down Facilities	187	187
Total CONREP Programs	**1,049**	**1,049**
Total State Hospitals, Contracted, and CONREP Programs	**7,971**	**9,289**

Figure 1: State Hospital Projected Census by Hospital, Commitment Type and Contracted Programs
Source: *2023-24 Governor's Budget Estimate, Department of State Hospitals, January 2023*

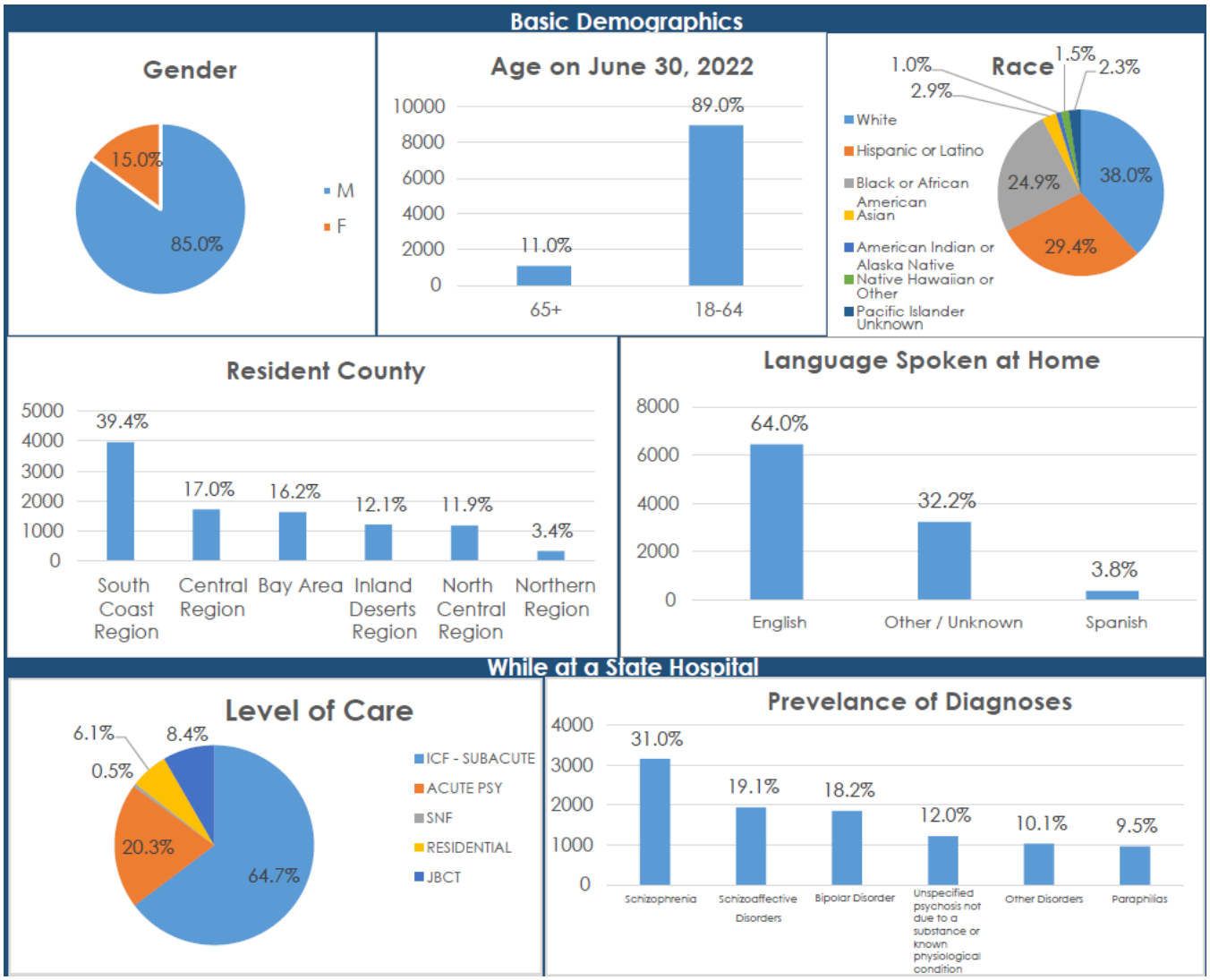


Figure 2: State Hospital Demographic Snapshot: All Commitment Types
Source: *2023-24 Governor's Budget Estimate, Department of State Hospitals, January 2023*

The five state hospitals operated by DSH are:

- **Atascadero State Hospital –** Located on the Central Coast in San Luis Obispo County, Atascadero is a self-contained psychiatric hospital with an all-male population primarily composed of OMD, *Coleman*, IST, LPS, and NGI patients. Atascadero has a licensed bed capacity of 1,275 beds, employs approximately 2,240 staff, and served 1,802 patients in 2021-22.

- **Coalinga State Hospital** – Located in the Central Valley in Fresno County, Coalinga is a self-contained psychiatric hospital with an all-male population primarily composed of LPS, OMD, *Coleman*, NGI, and SVP patients. Coalinga has a licensed bed capacity of 1,500 beds, employs approximately 2,475 staff, and served 1,327 patients in 2021-22.

- **Metropolitan State Hospital** – Located in Norwalk in Los Angeles County, Metropolitan is an "open" style campus within a security perimeter. Due to community concerns, a formal agreement with the City of Norwalk and the county sheriff prohibits Metropolitan from accepting patients charged with murder or a sex crime, or at high risk for escape. Metropolitan primarily serves LPS, IST, OMD, and NGI patients and has a licensed bed capacity of 1,106 beds, employs approximately 2,267 staff, and served 665 patients in 2021-22.

- **Napa State Hospital** – Located in Napa County, Napa has an "open" style campus within a security perimeter. Napa primarily treats IST, LPS, OMD, and NGI patients and has a licensed bed capacity of 1,418 beds, but is currently able to operate only 1,374 beds. Napa employs approximately 2,635 staff, and served 1,014 patients in 2021-22.

- **Patton State Hospital** – Located in the town of Highland in San Bernardino County, Patton is an "open" style campus within a security perimeter operated by correctional officers from CDCR due to concerns from the surrounding community. Patton primarily serves LPS, IST, OMD, *Coleman* and NGI patients and has a licensed bed capacity of 1,287 beds, employs approximately 2,534 staff, and served 1,311 patients in 2021-22.

Subcommittee Staff Comment. This is an informational item.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of the State Hospital system, including major inpatient categories, treatment programs, and significant organizational changes.

Issue 2: Program and Caseload Updates

Program and Caseload Updates – Governor's Budget. DSH requests resources to support the following program and caseload updates in its 2023-24 Governor's Budget Estimate.

Program Update – Metropolitan: Increased Secure Bed Capacity. DSH estimates General Fund savings of $11.2 million in 2022-23 due to delays in the activation of newly secured units at Metropolitan State Hospital to provide increased capacity for the treatment of IST patients. The 2016 Budget Act included capital outlay construction funding to securely enclose existing patient buildings that previously housed civilly committed patients under the Lanterman-Petris-Short (LPS) Act. Once secured, the LPS patients currently housed in these units will be transferred to non-secured buildings elsewhere on the Metropolitan campus and allow for additional secured capacity for the treatment of IST patients currently in county jails awaiting state hospital treatment.

According to DSH, of the five units under construction, Unit 1 was activated September 23, 2019 and Unit 2 was activated on January 29, 2020. Units 3, 4, and 5 were scheduled to be activated in September 2021. The activation of these units has been delayed until July 2023, due to the following: 1) impacts from the COVID-19 pandemic, 2) use of these units to relocate skilled nursing facility patients due to water damage to the facility, and 3) use of these units as swing space as Metropolitan upgrades its fire alarm system in other housing units in the hospital.

Program Update – Enhanced Treatment Program (ETP) Staffing. DSH estimates General Fund savings of $4.8 million in 2022-23 due to delayed completion of Enhanced Treatment Program (ETP) units at Patton State Hospital. AB 1340 (Achadjian), Chapter 718, Statutes of 2014, authorized DSH to establish an ETP pilot project to expand the range of clinical treatment options for patients determined to be at the highest risk of dangerous behavior or violence against other patients or hospital staff and cannot be safely treated in a standard treatment environment. According to DSH, the risk of violence against other patients or hospital staff imposes both a threat to health and safety, as well as a barrier to the effective treatment of other patients who may fear for their physical safety in a standard treatment environment with a potentially violent patient. The pilot project period extends approximately five years from the first patient admitted to the ETP and imposes certain requirements on admission and treatment within an ETP.

Patients are evaluated for admission to an ETP based on requirements contained in AB 1340. A patient referred to an ETP by state hospital clinical staff is assessed by a dedicated forensic psychologist within three business days to make an initial determination regarding the appropriateness of the referral. If the referral is appropriate, the patient is further assessed by a panel comprised of a state hospital medical director, psychiatrist, and psychologist to certify admission to the ETP within seven days of the original referral. Upon admission, a forensic needs assessment team psychologist conducts a violence risk assessment and develops a treatment plan in writing and, if possible, with the collaboration of the patient. The treatment plan, which must be reviewed and updated every ten days, must include information about the patient's mental health status and diagnoses, prescribed medications, goals of treatment, planned interventions and methods, documentation of success in meeting objectives, evaluation of the factors contributing to or detracting from the patient's progress, an activity plan, plans for other services needed by the patient, discharge criteria, goals for an aftercare plan in a standard treatment environment upon discharge, and a plan for post-discharge follow up.

In addition to the admission and treatment criteria, each ETP has specified staff-to-patient ratios, housing and facility requirements, and accessibility requirements. Each ETP is also required to maintain an independent patients' rights advocate to provide advocacy services to patients admitted to an ETP.

According to DSH, the construction of Unit 29 at Atascadero was completed in July 2021, and the first patients were admitted in September 2021. The four-year pilot project for this unit will continue until September 2025.

DSH expected to resume fire sprinkler installation on Patton Unit U-06, which was in progress when construction was suspended, in July 2021. However, unforeseen fire sprinkler installation design changes, the need to survey for potential asbestos containing materials, discovery of gaps in the existing smoke barrier, and delays in State Fire Marshal approval have extended the length of the project. DSH expects construction of the unit to be completed in December 2023, followed by unit activation in March 2024.

Construction on Atascadero Units 33 and 34 was suspended due to COVID-19, with an expected resumption date of October and November 2021. However, because both units comprising 92 beds would need to be taken offline to continue construction, the 2022 Budget Act suspended construction of these units indefinitely. The expected construction timelines are as follows:

Units/Hospital	Construction Initiated (Actual or Scheduled)	Construction Completion (Actual or Scheduled)
DSH-Atascadero Unit 29	September 24, 2018	July 2021
DSH-Atascadero Unit 33	Suspended	Suspended
DSH-Atascadero Unit 34	Suspended	Suspended
DSH-Patton Unit U-06	June 2023	December 2023

Program Update – Mission Based Review: Direct Care Nursing. DSH estimates General Fund savings of $17.1 million in 2022-23 and $4.8 million in 2023-24 due to delays in staffing changes to implement methodologies to provide appropriate 24-hour nursing care, administration of medication, and an afterhours nursing supervisory structure. DSH is also requesting 29 positions in 2023-24, previously administratively established, that support administrative workload previously supported by redirected level of care staff. The 2019 Budget Act included a total of 379.5 positions and General Fund expenditure authority of $46 million, phased in over three years, to implement the direct care nursing staffing methodology changes. Due to the pandemic-induced recession, and resulting General Fund deficit, the 2020 Budget Act shifted these resources to be phased in across a longer time frame. DSH reports the following updates to the phase in of positions:

- Medication Pass Psychiatric Technicians – The 2019 Budget Act included 335 positions for medication pass staffing. The 2020 Budget Act adjusted the positions to be phased-in over five years. As of August 31, 2022, 254.5 positions had been established and 163 positions had been filled, resulting in a General Fund savings of $13.1 million in 2022-23 and $3.1 million in 2023-24. According to DSH, recruiting for these positions has proven challenging and the department is evaluating other nursing classifications, such as licensed vocational nurses (LVNs), that may be a viable alternative to filling these positions.
- Afterhours Supervising Registered Nurses – The 2019 Budget Act included 44.5 positions for afterhours nursing supervision. The 2020 Budget Act adjusted these positions to be phased-in over

two years. As of August 31, 2022, all 44.5 positions had been established and 25 positions had been filled, resulting in a General Fund savings of $4 million in 2022-23 and $1.7 million in 2023-24.

- Redirected Off-Unit Positions – The 2019 Budget Act included resources to allow level of care positions to be redirected from administrative functions off-unit back to providing services in the units. As part of this redirection, DSH administratively established positions, including Staff Services Analysts (SSAs) and Associate Governmental Program Analysts (AGPAs) to manage the workload previously supported by the redirected staff. DSH requests position authority, funded within existing resources, of 29 positions, including 11 AGPAs, 3 Behavioral Specialists, 14 Medical Assistants, and one Staff Services Manager I position.

Program Update – Mission Based Review: Protective Services. DSH estimates General Fund savings of $6.8 million in 2022-23 due to delays in hiring hospital police officers to provide protective services in the State Hospitals. In 2020-21, DSH proposed a new staffing standard to support protective services functions including 46.3 positions and General Fund expenditure authority of $7.9 million in 2020-21, and 47.8 positions and General Fund expenditure authority of $13.4 million annually thereafter. However, due to the pandemic induced recession and resulting General Fund shortfall, the 2020 Budget Act included no positions or expenditure authority for this purpose. The 2021 Budget Act included 94.1 positions and $11.4 million, phased in over two years to support full implementation of the staffing standard. DSH reports the following updates to the phase in of positions:

- Support and Operations Division – The 2021 Budget Act included 98.1 positions to support the Support and Operations Division to be phased in over two years. As of August 31, 2022, 74.8 positions had been established and nine of the positions had been filled, resulting in a General Fund savings of $6.2 million in 2022-23. To assist in filling the remaining positions, DSH reports it has converted position examinations to be online, with Hospital Police Officer exams offered monthly and sergeant and lieutenant exams offered every six months. DSH reports it has also contracted with a human resources consultant to market current vacancies and has centralized postings for all five hospitals into a single posting.
- Executive Leadership Structure – The 2021 Budget Act included six positions to support the Executive Leadership Structure. As of August 31, 2022, all six positions had been established, and two of the positions had been filled, resulting in a General Fund savings of $605,000 in 2022-23.

Program Update – Mission Based Review: Treatment Team and Primary Care. DSH estimates General Fund savings of $21.1 million in 2022-23 and $8.4 million in 2023-24, as well as a reduction in position authority of 46.5 positions in 2023-24, 2024-25, and 2025-26, due to delays in hiring for treatment and primary care teams. In 2020-21, DSH proposed changes to its staffing methodologies for its treatment and primary care teams, including a total of 250.2 positions and General Fund expenditure authority of $64.2 million over a five year period. However, due to the pandemic induced recession and resulting General Fund shortfall, the 2020 Budget Act only included 12.5 positions and General Fund expenditure authority of $5 million in 2020-21 and 30 positions and General Fund expenditure authority of $10 million annually thereafter to support implementation of these staffing changes. The 2021 Budget Act included 213.3 positions and $54.1 million, phased in over five years, to support full implementation of the new staffing methodology. DSH reports the following updates to the phase-in of positions:

- Interdisciplinary Treatment Team – Over the last three budgets, a total of 180.4 positions were allocated to support the Interdisciplinary Treatment Team, which is responsible for the planning and

delivery of treatment, discipline-specific other workload, administrative and professional responsibilities, crisis prevention, unit milieu work, and crisis and incident management. As of August 31, 2022, 52.8 of the 180.4 positions had been established and nine of the positions had been filled, resulting in a General Fund savings of $11.1 million in 2022-23 and $8.4 million in 2023-24. As a result of these hiring delays, DSH is proposing to shift 46.5 positions, scheduled to be implemented in 2023-24, until 2026-27.

- Primary Medical Care – Over the last three budgets, a total of 31.9 positions were allocated to support primary medical care including routine preventative care and the treatment of non-life-threatening medical illness. As of August 31, 2022, all 31.9 positions had been established and five positions had been filled, resulting in a General Fund savings of $7.7 million in 2022-23.
- Trauma-Informed Care – Over the last three budgets, a total of six positions were allocated to support trauma-informed care, a comprehensive approach that includes workforce training, trauma-informed policies and standards, and the provision of evidence-based, trauma-specific screening, assessment, referral, and treatment. As of August 31, 2022, all six of the positions had been established and all six positions had been filled (one Senior Psychologist Specialist).
- Clinical Executive Structure: Administrative Support – Over the last three budgets, a total of six positions were allocated for administrative support positions for personnel management. As of August 31, 2022, all six of the positions had been established and all six of the positions had been filled.
- Clinical Executive Structure: Executive Leadership – Over the last three budgets, a total of 12 positions were allocated for clinical executive leadership including six Medical Directors, one Assistant Medical Director, and five Chiefs of Primary Care Services for the five state hospitals. As of August 31, 2022, all 12 positions had been established, and four of the positions had been filled, resulting in a General Fund savings of $2.2 million in 2022-23.
- Discharge Strike Team – Over the last three budgets, a total of six positions were allocated to support the Discharge Strike Team, which focuses on establishing and strengthening relationships with placement communities to improve knowledge of community resources, address barriers to placement and improve communication in efforts to expedite placement. As of August 31, 2022, all six positions had been established, and all six positions had been filled.

Program Update – Patient-Driven Operating Expenses and Equipment. DSH requests redirection of General Fund savings of $20.3 million in 2022-23 and General Fund expenditure authority of $20.5 million in 2023-24 and annually thereafter to support operating expenses and equipment (OE&E) related to the care and treatment of DSH patients. These expenses include funding for outside medical care, pharmaceuticals, patient clothing, food, and costs for patient advocacy. DSH estimates OE&E costs of $25,889 per patient based on data between 2018-19 and 2021-22. The request for additional ongoing General Fund resources is based on this estimated cost per patient and projections for growth in patient census.

Program and Caseload Update: Forensic Conditional Release Program (CONREP) – General/Non-Sexually Violent Predator (Non-SVP) Program. The Forensic Conditional Release Program (CONREP) was established in 1986 and provides outpatient treatment to individuals ordered by a court to be released if their symptoms have been stabilized and they no longer represent a danger to society. The CONREP population includes patients committed to state hospitals as Not Guilty by Reason of Insanity (NGI), Offenders with a Mental Health Disorder (OMD), and felony Incompetent to Stand Trial (IST). After one year, a court hearing determines if the patient will continue in the program, be sent back to DSH, or be released.

According to DSH, when a patient is discharged to CONREP, the goal is to provide an independent living environment in the least restrictive setting. However, if the patient has not demonstrated the ability to live in the community without direct staff supervision, the patient is referred to a Statewide Transitional Residential Program (STRP), a resource used by CONREP to provide patients the opportunity to learn and demonstrate appropriate community living skills in a controlled setting with 24 hour supervision.

DSH requests two positions and General Fund expenditure authority of $2.6 million in 2023-24 and annually thereafter to fund its contracted CONREP caseload of 1,020 clients in 2022-23 and 2023-24. According to DSH, this caseload includes 655 regular CONREP clients currently placed in settings which do not offer dedicated beds to the program. In addition, CONREP's contracted caseload includes the following current and planned specialized beds:

- 65 Statewide Transitional Residential Program (STRP) Beds in 2022-23, including:
  - 35 bed activated Southern California STRP
  - 30 bed activated Northern California STRP
- 180 Forensic Assertive Community Treatment (FACT) Beds, including:
  - 80 newly activated beds in Central California in 2022-23
  - 100 beds activated in Northern California and Southern California in 2021-22
- 120 Institute of Mental Disorder (IMD) Beds in 2022-23, including
  - 78 bed Southern California IMD (pending activation)
  - 24 bed activated Southern California IMD
  - 20 bed activated Northern California IMD

- Step-Down Transitional Programs – DSH requests General Fund expenditure authority of $296,000 in 2023-24 and annually thereafter to support personnel and operating expenses needed for step-down transitional programs, including the following:
  - Southern CA IMD Facility – DSH reports delayed activation of a 78 bed Institute for Mental Disease (IMD) facility in southern California due to delayed external approvals from the federal Centers for Medicare and Medicaid Services (CMS) and the state Department of Public Health, as well as supply chain and labor shortages related to the COVID-19 pandemic. DSH estimates the full 78-bed program to activate in February 2023. DSH reports savings from delayed program activation would be used to support ongoing construction costs.
  - Northern CA IMD Facility – DSH established a ten bed IMD facility in northern California, which was activated in July 2020. In July 2021, DSH extended the contract term and expanded the program by an additional ten beds. DSH reports as of November 2022, all 20 beds are filled or reserved for patients ready for placement.
  - Northern CA STRP Facility – According to DSH, as of November 2022, 15 of the 30 beds in this facility are filled, with six additional beds expected to be filled in January 2023.

- Forensic Assertive Community Treatment (FACT) – DSH reports its contracted provider has secured program housing in Sacramento and San Diego counties, both of which support regional FACT programs for CONREP clients. As of November 2022, 45 of 60 beds had been filled in Sacramento and 22 of 60 beds had been filled in San Diego. DSH reports activation for Alameda County has shifted to January 2023 to provide additional time to train staff.

- California Forensic Assessment Project (CFAP) Expansion – DSH requests three positions and General Fund expenditure authority of $177,000 in 2023-24, and $228,000 annually thereafter to support expansion of CFAP, including assessment rate increases, additional contractors, and additional supply needs. CFAP is a panel of evaluators who provide specialized psychological testing and consultations for individuals clinically referred by CONREP providers who feel additional assessment and clinical care may be necessary. DSH is requesting to add three additional CFAP evaluators, for a total of 12 statewide, to address an increase in caseload.

- CONREP Operations Staffing Resources – DSH requests two positions and General Fund expenditure authority of $277,000 in 2023-24 and annually thereafter to support increased workload in the CONREP Operations Unit and provide administrative and programmatic support to contracted CONREP partners.

- Provider Personnel Funding Adjustments – DSH requests General Fund expenditure authority of $1.9 million in 2023-24 and annually thereafter to bridge personnel gaps for CONREP contracted providers, including more competitive salary packages and telework options.

Caseload Update – Forensic CONREP: Sexually Violent Predator (SVP) Program. Beginning in 1996, Sexually Violent Predators (SVP) were added to the CONREP population and are conditionally released to their county of domicile by court order with sufficient funding to provide treatment and supervision services. According to DSH, the CONREP-SVP program offers patients direct access to an array of mental health services with a forensic focus, as well as regularly scheduled sex offender risk assessments, polygraph testing, and review of Global Position System (GPS) data and surveillance. Currently, there are 20 current participants in the CONREP-SVP program and 13 individuals with court-approved petitions for release into the program who are awaiting placement. In addition, 14 more individuals have filed petitions for conditional release and are proceeding through the court process.

Program Update – Contracted Patient Services Incompetent to Stand Trial (IST) Solutions. DSH requests one position and estimates General Fund savings of $27.4 million in 2022-23 and $3.1 million in 2023-24 and annually thereafter, due to changes in jail-based competency treatment program (JBCT) implementation. DSH also requests reappropriation of General Fund resources, previously authorized in the 2021 Budget Act, to support contracts for Community Inpatient Facilities. These resources would be available for an additional 12 months.

- Early Access and Stabilization Services (EASS) – The Early Access and Stabilization Services program was established as part of the IST Solutions package approved in the 2022 Budget Act. According to DSH, the program provides treatment at the earliest point possible upon an individual's commitment and promotes stabilization to increase community-based treatment placements. To rapidly establish the EASS programs in county jails, DSH reports it is leveraging existing JBCT programs and starting new programs in counties without JBCT programs. DSH reports the first EASS program was activated in July 2022, and as of December 19, 2022, a total of 27 counties have activated EASS programs, with additional counties expected to activate through the end of the year. The counties that have activated EASS programs include: Kings, Monterey, Ventura, Fresno, Calaveras, Stanislaus, Yuba, Nevada, Sierra, Shasta, Santa Barbara, Merced, San Bernardino, Madera, Lassen, Sonoma, Del Norte, Humboldt, Imperial, Santa Cruz, Napa, Sutter, Riverside, Lake, San Benito, Tuolumne, and Amador.

- Jail-Based Competency Treatment (JBCT) Programs – DSH requests one position and estimates General Fund savings of $27.4 million in 2022-23 and $3.1 million in 2023-24 and annually thereafter, primarily driven by a reduction in the San Bernardino JBCT program's capacity from 146 beds to 64 beds, effective September 1, 2022. According to DSH, the level of savings is offset by the following adjustments:
  - Eleven currently funded county programs are pending activation
  - Two program activations in July 2022 yielded 22 additional beds
  - Calaveras County JBCT has been experiencing an increasing rate of IST referrals and can support an expansion of eight beds for a total of 18 beds as of October 2022
  - Bed rate increases are anticipated for 20 of the participating counties.

- Expansion of Felony IST Community Programming via Community-Based Restoration (CBR) and Diversion – DSH requests extension of encumbrance and expenditure authority until June 30, 2028, of $150 million authorized in the 2022 Budget Act to develop residential housing settings to support felony IST individuals participating in either the Community-Based Restoration or Diversion program.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding these items open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of each of the program and caseload updates referenced in this item.

Issue 3: COVID-19 Update

Program Update – Governor's Budget. DSH requests General Fund expenditure authority of $51.3 million in 2023-24 to support COVID-19 driven workload and expenditures to protect the health and safety of staff and patients. These expenditures include personal services costs for staff dedicated to implementing infection control measures, surge staffing contracts, personal protective equipment, sanitation and testing supplies.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25**
0001 – General Fund	$51,278,000	$-
Total Funding Request:	**$51,278,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. The state's response to the COVID-19 pandemic has required rapid deployment of state and federal resources to support a wide variety of activities designed to mitigate the spread of the virus, while maintaining vital services and protecting the most vulnerable Californians. The 2021 Budget Act included General Fund expenditure authority of $52 million in 2021-22 to support staff costs for cleaning, staffing coverage, environmental projects, custody tasks, screening and isolation, commodity purchases, sanitation supplies, changes in food service, as well as equipment for heating and air, filtration, and information technology solutions. The 2022 Budget Act included General Fund expenditure authority of $64.6 million in 2022-23 to support response activities to the COVID-19 pandemic, primarily for staffing and testing.

For 2023-24, DSH reports the following updates on COVID-19 response in the state hospitals:

- *Vaccinations*. As of December 14, 2022, DSH reports it has achieved a staff vaccination rate of 83 percent and a staff booster rate of 66 percent of those eligible, and a patient vaccination rate of 74 percent and a patient booster rate of 63 percent of those eligible. DSH reports it is currently administering and promoting the bivalent booster to patients and staff.
- *COVID-19 Cases and Hospital Updates.* As of December 11, 2022, DSH performed 232,378 polymerase chain reaction (PCR) tests in its five state hospitals. 4,317 patients tested positive. In addition, DSH performed 365,709 PCR tests and 2,535,418 antigen tests on state hospital staff statewide with a total of 9,500 staff testing positive.

Resource Request. DSH requests General Fund expenditure authority of $51.3 million in 2023-24 to support COVID-19 driven workload and expenditures to protect the health and safety of staff and patients, including personal services costs for staff dedicated to implementing infection control measures, surge staffing contracts, personal protective equipment, sanitation and testing supplies.. Specifically, DSH requests resources in the following categories:

- Testing – DSH requests General Fund expenditure authority of $29 million in 2023-24 for the costs of testing patients and employees of the state hospitals. DSH reports that, although the State of Emergency is ending, the state hospital system will continue to perform diagnostic screening testing for both patients and staff. Currently, testing resources are available from the Department of Public

Health, but after the State of Emergency, these resources will no longer be available. This request would allow DSH to support direct procurement of testing resources.

- Surge Capacity Resources – DSH requests General Fund expenditure authority of $11.6 million in 2023-24 to support surge capacity for its hospitals, including:
  - *Hospital Staffing* - $7.6 million in 2023-24 would support contracted short-term staffing support during COVID-19 surges.
  - *Norwalk Alternate Care Site* - $4 million in 2023-24 would support an alternate care site in Norwalk, which is administered by the California Department of Corrections and Rehabilitation under an interagency agreement with DSH. The site is part of the Southern Youth Correctional Reception Center and Clinic and is being operated as a satellite facility to Metropolitan State Hospital for use as an isolation or quarantine space. These resources would continue to support the interagency agreement for this facility.

- Public Health Teams – DSH requests General Fund expenditure authority of $5.1 million for various public health teams, including:
  - *Public Health Nurses* - $1.9 million in 2023-24 would support ten existing Public Health Nurses that support the department's vaccination and monitoring programs.
  - *Cleaning* - $2.2 million in 2023-24 would support additional cleaning and infection control activities to prevent spread of COVID-19 through aerosols.
  - *Environmental Hygienists* - $1 million in 2023-24 would support safety hygienist staffing to protect the department's environment of care from aerosols or other airborne infection risks.

- Commodity Goods – DSH requests General Fund expenditure authority of $5.6 million in 2023-24 to support personal protective equipment (e.g. gloves, gowns, masks, protective clothing, and face shields), sanitation supplies (e.g. germicidal bleach, hand sanitizer, and hydrogen peroxide wipes), and additional food and food supplies for quarantined and isolated patients unable to eat in the common dining rooms.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 4: Department of General Services Statewide Surcharge Adjustments

Budget Change Proposal – Governor's Budget. DSH requests General Fund expenditure authority of $1.9 million annually. If approved, these resources would address ongoing increased costs due to support services provided by the Department of General Services.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$1,900,000	$1,900,000
Total Funding Request:	**$1,900,000**	**$1,900,000**
Total Requested Positions:	**0.0**	**0.0**

* Resources ongoing after 2024-25.

Background. The Department of General Services (DGS) functions as the business manager for the State of California, providing services such as facilitation of procurement, management of state-owned and leased real estate, management of the state's vehicle fleet, and development of building standards. DGS supports these services by charging fees to client departments. According to DSH, its appropriation for the DGS Statewide Surcharge has not changed since it was implemented in 2005-06, while fees have increased annually.

Resource Request. DSH requests General Fund expenditure authority of $1.9 million annually to address ongoing increased costs due to support services provided by the Department of General Services. According to DSH, its surcharge amount in 2013-14 was approximately $1.7 million, while in 2021-22 it had grown to $3.1 million. DSH estimates an additional $1.9 million is necessary to support projected costs in 2023-24 and annually thereafter.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 5: Teleservices – Visitation and Court Hearings

Budget Change Proposal – Governor's Budget. DSH requests 15 positions and General Fund expenditure authority of $2.1 million annually. If approved, these positions and resources would allow DSH to permanently continue management of teleservices for patient visitation and court hearings implemented during the COVID-19 pandemic.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$2,050,000	$2,050,000
Total Funding Request:	**$2,050,000**	**$2,050,000**
Total Requested Positions:	**15.0**	**15.0**

* Positions and resources ongoing after 2024-25.

Background. According to DSH, prior to the COVID-19 pandemic, tele-visitation and tele-court appearances were not available for State Hospitals' patients. During the pandemic, due to the need to avoid unnecessary transmission between jails, State Hospitals, and the courts, DSH patients increasingly relied on videoconferencing for virtual court appearances and for visitation with family, friends, and attorneys. DSH reports it redirected personnel and available space to support teleservices for patients.

DSH reports its State Hospital system has experienced a significant increase in the use of tele-court across all of its locations. As it is effective for the court system, prevents disruption of treatment, and reduces travel time and expenses, DSH expects tele-court to remain a significant model for court appearances in the future. In addition, providing virtual visits for DSH patients allows DSH to continue to provide mandatory access to visitors during periods of isolation and quarantine, as well as to make it easier for visitation from family members for whom geographic, medical, or financial challenges make in-person visitation unfeasible.

Staffing and Resource Request. DSH requests 15 positions and General Fund expenditure authority of $2.1 million annually to permanently continue management of teleservices for patient visitation and court hearings implemented during the COVID-19 pandemic. Specifically, DSH requests the following positions and resources:

- **Five Staff Services Analysts (SSAs)** or **Associate Governmental Program Analysts (AGPAs)**, one for each of the five State Hospitals, would support coordination of patient scheduling and movement for both in-person and teleservices, including working with the court system for tele-court appearances, working with treatment programs and clinical and custody staff to coordinate patient and staff schedules, escorts, hearing and visitation rooms, and necessary notifications across each hospital.
- **Five Psychiatric Technicians**, one for each of the five State Hospitals, would support medical or psychiatric interventions during a teleservice appointment, monitoring of the patient during the tele-court process, assisting with escorting patients between teleservices areas and housing units, documenting as needed in the patient's record, redirecting patient behaviors as needed, and assisting with teleconferencing technology and equipment.

- **Five Hospital Police Officers**, one for each of the five State Hospitals, would escort patients to court hearing rooms, ensure safety of participants and observers, and support the increased workload related to additional teleservices appointments.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 6: Psychiatry Workforce Pipeline, Recruitment, Hiring, and Retention

Budget Change Proposal – Governor's Budget. DSH requests seven positions and General Fund expenditure authority of $6.5 million in 2023-24, $7.1 million in 2024-25, $7.3 million in 2025-26, $7.7 million in 2026-27, and $8.3 million annually thereafter. If approved, these positions and resources would support development and implementation of pipeline, recruitment, and retention initiatives to sustain and grow DSH's psychiatric workforce.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$6,505,000	$7,105,000
Total Funding Request:	**$6,505,000**	**$7,105,000**
Total Requested Positions:	**7.0**	**7.0**

* Additional fiscal year resources requested – 2025-26: $7,305,000; 2026-27: $7,705,000; 2027-28 and ongoing: $8,305,000.

Background. Both in California and nationally, the field of psychiatry has suffered from significant workforce shortages that have worsened over time. According to the California Future Health Workforce Commission, providers of behavioral health services suffer from geographic maldistribution. For example, the San Joaquin Valley and Inland Empire regions have the lowest provider-to-population ratios in the state for almost every category of behavioral health provider, compared to the Bay Area which has more than three times as many psychiatrists by population as those two regions. In addition, most behavioral health occupations do not reflect the racial, ethnic, or gender diversity of the state. African Americans and Latinos are underrepresented among psychiatrists and psychologists, while Latinos are also underrepresented among counselors and clinical social workers. Men constitute the majority of psychiatrists, while women constitute the majority of psychologists, counselors, and social workers.

Training opportunities are similarly maldistributed. For example, there are no residency programs for psychiatrists and no educational programs for mental health nurse practitioners or psychologists north of Sacramento. There are also no doctoral programs in psychology in the Central Coast or San Joaquin Valley regions. While Latino representation among graduates of social work and psychiatric technician programs has improved, Latinos remain underrepresented among graduates of psychiatric residency programs and clinical or counseling psychology programs.

According to Healthforce researchers, based on current supply of providers and demand for service utilization, by 2028 California will have 50 percent fewer psychiatrists than needed to meet the state's mental health needs, and 28 percent fewer psychologists, licensed marriage and family therapists (LMFTs), licensed professional clinical counselors (LPCCs), and licensed clinical social workers (LCSWs) than needed. In addition, the California Future Health Workforce Commission estimates California would need to train 527 additional first-year psychiatry residents every year to alleviate the projected psychiatrist shortage.

Psychiatrists Critical to Operation of State Hospitals. According to DSH, psychiatrists function as the lead of the interdisciplinary treatment team in the State Hospital system, and are responsible for ensuring the team is developing an integrated treatment plan, reviewing serious incident reports, obtaining information related to treatment noncompliance, and writing detailed discharge summaries. DSH reports recruitment and retention pose a significant challenge for DSH, which has been further exacerbated during

the COVID-19 pandemic. The DSH 2023-24 Governor's Budget Estimate indicates that, on average during 2021-22, only 128.0 of the department's 277.4 authorized Staff Psychiatrist positions were filled, a vacancy rate for civil service classified positions of 53.9 percent. An additional 58.7 Staff Psychiatrist positions are filled using temporary help or contract staff, resulting in a functional vacancy rate of 32.7 percent. Although DSH conducts a significant amount of outreach and marketing to attract a talented workforce, DSH indicates additional efforts and resources are needed to sustain and grow its workforce to meet the demand for behavioral health services in the State Hospital system.

Previous Workforce Development Initiatives. To address the psychiatrist vacancy rate in the State Hospital system, the state has made various investments in psychiatrist workforce development initiatives. The 2019 Budget Act included positions and resources to establish a new Psychiatric Residency Program at Napa State Hospital. The initial program funding was meant to support up to four residents in its first cohort in 2020-21, growing to 16 residents each year beginning in 2024-25. In addition, the 2022 Budget Act included General Fund expenditure authority of $7 million annually for two years to support a loan repayment program for psychiatrists that agree to a five-year service commitment at DSH.

Staffing and Resource Request. DSH requests seven positions and General Fund expenditure authority of $6.5 million in 2023-24, $7.1 million in 2024-25, $7.3 million in 2025-26, $7.7 million in 2026-27, and $8.3 million annually thereafter to support development and implementation of pipeline, recruitment, and retention initiatives to sustain and grow DSH's psychiatric workforce. Specifically, DSH requests the following positions and resources in the following new or expanded programs:

Psychiatry Residency Program – Three positions and $1.4 million annually

Leveraging the successful residency program at Napa State Hospital, DSH requests three positions and General Fund expenditure authority of $1.4 million annually to collaborate with Eisenhower Medical Center to develop an on-site psychiatry training program at Patton State Hospital for residents who will perform duties and responsibilities associated with that of an inpatient psychiatry resident. DSH estimates the program could support a total of 20 resident positions with four residents per year starting in 2024.

- **One Senior Psychiatrist Supervisor, one Hospital Administrative Resident II** position, and **one Associate Governmental Program Analyst** would provide support for the new psychiatric residency program at Patton State Hospital.

Psychiatric Fellowships - $3.6 million annually

DSH requests General Fund expenditure authority of $3.6 million annually to expand or develop fellowship programs, which are post-doctoral training programs for psychiatrists after completion of a residency program. The new fellowship program would provide new psychiatrists with specialized training that focuses on the unique needs of the State Hospital population. DSH expects establishment or expansion of the following partnerships, which would sponsor and train two fellows per program per year:

- *Forensic Psychiatry* – Stanford University (at Coalinga), UC Riverside (at Patton), UCLA and USC (at Metropolitan), and Santa Clara/San Mateo (at Atascadero and Coalinga)
- *Geriatric Psychiatry* – Saint Joseph's Medical Center-Dignity Health (at Napa)
- *Addiction Psychiatry* – Saint Joseph's Medical Center-Dignity Health (at Napa)

Resident Rotations - $900,000 annually

DSH requests General Fund expenditure authority of $900,000 annually to support an increase in the amount of rotation sites for residents. According to DSH, expanding clinical rotation opportunities for residents would increase the possibility of attracting future psychiatrists with specific training and exposure to the State Hospital system. DSH proposes to implement 15 permanent and ongoing sponsorships of clinical resident rotations on State Hospital campuses.

Retention – Continuing Education and Medical Advancement – Four positions and $590,000 annually

DSH requests four positions and General Fund expenditure authority of $590,000 annually to support and promote continuing medical education (CME) for the psychiatrists working in the State Hospitals. According to DSH, CME activities provide an opportunity for collegial cohesion, where psychiatrists working independently may come together to learn from one another, provide peer review and mentorship, and discuss matters of the field with like-minded colleagues.

- **One Staff Services Manager II** position and **three Associate Governmental Program Analysts** would support the program by processing and issuing credits for all CME for DSH psychiatrists.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

2. How will these programs interact with the DSH psychiatrist loan repayment program adopted in the 2022 Budget Act?

Issue 7: Electronic Health Records Implementation and Operation

Budget Change Proposal – Governor's Budget. DSH requests 40.2 positions and General Fund expenditure authority of $21.5 million in 2023-24 and 58 positions and General Fund expenditure authority of $22.3 million annually thereafter. If approved, these positions and resources would support the completion of remaining planning activities, System Integrator procurement, and transition into implementation of the Continuum Electronic Health Record (EHR) System.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$21,501,000	$22,311,000
Total Funding Request:	**$21,501,000**	**$22,311,000**
Total Requested Positions:	**40.2**	**58.0**

* Positions and resources ongoing after 2024-25.

Background. In 2017, DSH began a project to implement an integrated electronic health record (EHR) for state hospital patients, submitting a Stage 1 Business Analysis and Stage 2 Alternatives Analysis to the California Department of Technology (CDT) as part of its Project Approval Lifecycle (PAL) process. The 2018 Budget Act included four positions and General Fund expenditure authority of $1.3 million in 2018-19 and $713,000 in 2019-20 for DSH to complete Stages 3 and 4 of the PAL process for implementation of the EHR system. Due to the COVID-19 pandemic, DSH received approval in the 2020 Budget Act to extend the timeline of the project for two years, with a go-live date of 2026.

DSH reports that when the EHR system is implemented, it will employ its current wireless network to support wireless medical devices, such as tablets, blood pressure cuffs, and glucometers. According to reports from other healthcare providers, EHR implementation has the potential to increase wireless traffic by as much as three-fold. DSH is planning to enhance its networks and implement a technology that would allow its wireless access points to automatically re-calibrate to maintain network accuracy and integrity. The EHR solution would support patient triage, care management functions, administrative functions, document management, email, web browsing, real-time image transfer, bi-directional data exchange, telemedicine, remote system monitoring, and administration.

The 2022 Budget Act included six positions and General Fund expenditure authority of $2.4 million in 2022-23, two additional positions and General Fund expenditure authority of $19.8 million in 2023-24, two additional positions and General Fund expenditure authority of $20.8 million in 2024-25, and $8.2 million annually thereafter to prepare for and support operation of the EHR project, primarily to upgrade the Wireless Local Area Networks (WLAN) at all five hospitals.

Staffing and Resource Request. DSH requests 40.2 positions and General Fund expenditure authority of $21.5 million in 2023-24 and 58 positions and General Fund expenditure authority of $22.3 million annually thereafter. If approved, these positions and resources would support the completion of remaining planning activities, System Integrator procurement, and transition into implementation of the Continuum Electronic Health Record (EHR) System. Specifically, DSH requests the following positions and resources for the following teams:

EHR End User Training Team – Four positions and $420,000 in 2023-24, $940,000 annually thereafter

The EHR End User Training Team, composed of **one Assistant Coordinator of Nursing Services, two Registered Nurses,** and **one Program Director**, would support training the State Hospital system workforce on the use of the new EHR system, including new employee system training, update/change training, and remedial training.

Clinical Business Leadership Team – 16.5 positions and $2.8 million in 2023-24, 29 positions and $5 million annually thereafter

The Clinical Business Leadership Team would provide clinical leadership to promote end user adoption of the EHR. The team would help ensure the EHR solution is configured appropriately to meet the clinical business needs, and project and strategic goals of DSH. These positions would coordinate change management, communication, quality improvement, and clinical safety assessment efforts. The team would be composed as follows:

- **Five Associate Governmental Program Analysts (AGPAs)** in 2023-24 and **ten AGPAs** annually thereafter would support Health Informatics initiatives, assist in planning and preparation of enterprise data standardization and cleansing efforts for existing legacy applications, and serve as clinical informatics specialists to bridge the gap between clinicians and data.
- **One Office Technician** would support the Clinical Business Leadership Team and the Clinical Technology Analyst Team to provide office based support such as timesheets, travel support and arrangements, and minutes recording during essential business meetings.
- **One Nurse Practitioner, 0.5 Physician Surgeon,** and **three Research Data Specialist (RDS) II** positions in 2023-24 and **two Nurse Practitioners, one Physician Surgeon,** and **six RDS II** positions annually thereafter would serve as health informaticists in their respective fields, bridging the gap between clinicians and data.
- **0.5 Research Scientist Manager** in 2023-24 and **one Research Scientist Manager** annually thereafter would serve as lead data steward of the health informaticists and be responsible for enabling better collaboration and coordination among DSH clinical and nursing providers, streamlining medical quality assurance processes, improving cost-efficiency in care delivery, and increasing accuracy and efficiency in utilizing the EHR solution.
- **1.5 Staff Services Manager (SSM) I** positions in 2023-24 and **three SSM I** positions annually thereafter would serve as clinical informatics specialists, planning and preparing of enterprise data standardization and cleansing efforts for legacy applications and supporting the Clinical Business Leadership Team.
- **One Program Director** would serve as the primary liaison between the project team and hospital executive leadership, provide oversight of the EHR project clinical change management at the hospital level, lead implementation and training efforts of the EHR at their facility, provide assistance and serve as a resource to the Sacramento project team, and participate in organizational strategic planning.
- **One Program Assistant** in 2023-24 and **two Program Assistants** annually thereafter would assist the Program Director managing logistics for system updates, communications, job aids, training, working with clinical supervisors and program management for scheduling training, supervise super-users and trainers, and lead change management initiatives at their facility.
- **One Senior Clinical Lab Technologist** would evaluate processes, planning implementation, and lead laboratory maintenance and operation activities.

- **One Senior Radiology Technologist** would evaluate processes, planning implementation, and lead radiology maintenance and operation activities.

Technology Services – 18.66 positions and $3.7 million in 2023-24, 22 positions and $4.4 million annually thereafter

These additions to the department's Technology Services Division would provide a wide range of technical services to the department in relation to implementation of the EHR.

- **0.7 Career Executive Appointment (CEA) B – Assistant Deputy** position in 2023-24 and **one CEA B – Assistant Deputy** position annually thereafter would provide a higher-level structure of senior leadership under the Chief Information Officer.
- **0.8 Information Technology (IT) Specialist III** position and **one IT Specialist III** position annually thereafter would provide oversight and knowledge, skills, and abilities of a high-level WLAN architect to ensure proper operation of the expanded WLAN for the EHR project.
- **0.8 Information Technology (IT) Specialist III** position and **one IT Specialist III** position annually thereafter would provide oversight and knowledge, skills, and abilities of a high-level network architect to ensure proper operation of the expanded network/WLAN for the EHR project.
- **One IT Manager I, 1.6 IT Specialist III** and **1.6 IT Specialist II** in 2023-24 and **two IT Specialist III and two IT Specialist II** annually thereafter would support higher-level engineering workload required to support the application engineering and support aspects of the EHR project.
- **0.8 IT Manager I, 0.5 IT Specialist III** and **one IT Specialist I** in 2023-24 and **one IT Manager I, one IT Specialist III** and **one IT Specialist I** annually thereafter would support the higher level engineering workload required to support the data analytics aspects of the EHR project.

Service Management and Governance – Ten positions

- **One IT Manager I** would serve as Organizational Change Management (OCM) Manager, guiding OCM activities related to IT project management including communications management, planning, portfolio management, process engineering, scope management, stakeholder management and time and schedule management.
- **One IT Supervisor II** position would manage day-to-day operations and workload of the procurement, contract, and budget staff.
- **Three IT Specialist II** positions would ensure IT contract management best practices, processes and procedures are consistently applied, and handle subsequent procurements that are in conjunction with the implementation of the new EHR system.
- **Five IT Specialist I** positions would serve as OCM catalysts responsible for communicating changes to business processes using new technology systems associated with the EHR project.

Server Storage (Cloud and Automation) – 0.8 position in 2023-24 and 1 position annually thereafter

- **0.8 IT Specialist III** position in 2023-24 and **one IT Specialist III** position annually thereafter would serve as lead technical expert during the EHR procurement, conduct cloud-based infrastructure work, lay the foundation and systems EHR will need to lay on top of before System Integrator onboarding,

create and implement standards, strategy, and practices for cloud and automation that promote scalable, supportable cloud based EHR and ancillary EHR systems.

Human Resources and Facilities – Three positions and $336,000 annually

- **Two AGPAs** would provide administrative support including human resources, budget management and procurement and contract management.
- **One Associate Construction Analyst** would ensure the department meets the requirements of installation of WLAN upgrades.

Contract Resources - $14 million in 2023-24 and $11.4 million annually thereafter

- *End User Devices and Medical Devices* – DSH requests General Fund expenditure authority of $3.1 million in 2023-24 and $554,000 annually thereafter to support end user devices (e.g. tablets, laptops, mobile devices, scanners, workstations, label printers, dictation devices, and second monitors) and medical devices (e.g. vital signs devices and glucometers).
- *EHR Contracted Staff Support* – DSH requests General Fund expenditure authority of $6.7 million to support expert contracted staff to support the knowledge and experience required to address a wide range of technical services including security, network, application development, data analytics, service desk, service management and governance, and server storage.
- *Limited Term Implementation Consulting* – DSH request General Fund expenditure authority of $3.7 million to support an OCM contractor, project management, independent verification and validation, IT technical team training, an independent fire inspector, and interagency consulting.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 8: Sexually Violent Predators (SB 1034)

Budget Change Proposal – Governor's Budget. DSH requests two positions and General Fund expenditure authority of $598,000 annually. If approved, these positions and resources would allow DSH to convene county representatives regarding suitable housing for sexually violent predators, as well as other requirements imposed pursuant to SB 1034 (Atkins), Chapter 880, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$598,000	$598,000
Total Funding Request:	**$598,000**	**$598,000**
Total Requested Positions:	**2.0**	**2.0**

* Positions and resources ongoing after 2024-25.

Background. SB 1034 establishes a process for finding housing for a sexually violent predator (SVP) who has been found to no longer be a danger and set forth what a court must do in order to determine extraordinary circumstances exist so that a sexually violent predator cannot be placed in the county of domicile. Prior to SB 1034, when a suitable placement was not located in the county of domicile, a court could order extraordinary circumstances allowing DSH or its designee to search for housing in a county outside the committed person's county of domicile. SB 1034 only permits a petition to the court for consideration of extraordinary circumstances after the following criteria have been met:

- The county of domicile has demonstrated engagement in an exhaustive housing search within its county, with robust participation from a committee composed of: 1) counsel for the committed individual, 2) the sheriff or chief of police of the locality of placement, and 3) the county counsel and the district attorney of the county of domicile, or their designees.
- The county of domicile has provided a minimum of one alternative placement for consideration and has noticed the district attorney of the alternative placement county and DSH regarding their intention to file a petition for extraordinary circumstances, which is to include the committed person's connection to the proposed alternative county.
- The county of domicile has provided the required information to DSH and the district attorney of the alternative placement county regarding these criteria.
- DSH and the district attorney of the proposed placement of the alternative county had the opportunity to be heard at a hearing, receiving no less than a 30 day notice before the hearing.

Staffing and Resource Request. DSH requests two positions and General Fund expenditure authority of $598,000 annually to convene county representatives regarding suitable housing for sexually violent predators, as well as other requirements imposed pursuant to SB 1034 (Atkins), Chapter 880, Statutes of 2022. Specifically, DSH requests the following positions and resources:

- **One Consulting Psychologist** would attend, participate in, and consult in convened local housing committee meetings for potential placements; provide education, history, and information to external stakeholder and committee members; provide opinion to committee members on behalf of DSH on extraordinary circumstance criteria and options; attend court hearings including status conference and housing hearings; assist in preparing court status conference reports; develop, amend, and consult on

policies regarding new housing placement requirements and process; review, assist, and provide feedback on court reports and other correspondence with legal stakeholder; review housing site assessments and provide feedback to the SVP program and the committee; and attend internal housing vetting meetings with DSH stakeholders.

- **One Office Technician** would coordinate committee meeting logistics; gather maintain, and track key participants contact information; track member participation, action items from meetings and any barriers to progress; provide regular reports to DSH management; support administrative tasks; distribute committee meeting notices; file court correspondence; distribute documents and information to participants; coordinate staff travel and process travel claims for visits and court appearances; and prepare documents for court status conference reports.
- DSH requests General Fund expenditure authority of $280,000 annually to support a contracted housing specialist for the CONREP-SVP provider.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 9: Increased Court Appearances and Public Records Act Requests – Continuation of Funding

Budget Change Proposal – Governor's Budget. DSH requests 5.5 positions and General Fund expenditure authority of $847,000 annually. If approved, these positions and resources would allow DSH to permanently extend limited-term resources approved in the 2021 Budget Act to address a sustained increase in workload for court hearings and responding to Public Records Act requests.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$847,000	$847,000
Total Funding Request:	**$847,000**	**$847,000**
Total Requested Positions:	**5.5**	**5.5**

* Positions and resources ongoing after 2023-24.

Background. According to DSH, the ongoing and growing IST waitlist has resulted in a significant amount of related litigation, including:

- County public defenders filing motions seeking Orders to Show Cause (OSCs) why DSH should not be held in contempt for not timely admitting IST patients, and seeking sanctions.
- County public defenders filing motions under Code of Civil Procedure section 177.5 seeking sanctions against DSH for not complying with superior court orders to admit IST patients by a date specified.
- Superior courts issuing OSCs seeking to sanction DSH for not timely admitting IST patients or violating court orders to admit patients.
- Courts setting status conferences, with mandatory appearances by DSH, to explain why the patients have not been transported, or admitted to its hospitals, or considering whether to hold DSH in contempt.
- County public defenders filing motions seeking standing orders requiring that DSH admit IST patients by a specified time-frame.
- County public defenders filing writs of habeas corpus, writs seeking release of IST patients held in jail awaiting admission to DSH, and writs of mandate requiring DSH to comply with various specified time-frames for admission.
- The ACLU and private law-firms filing state and federal civil-rights cases seeking injunctive relief and damages for alleged violations of IST patients' constitutional rights.

DSH attorneys must respond, object, appear, or serve as staff counsel to represent DSH in each of these types of motions, status conferences, OSCs, standing-order requests, writs, and civil rights litigation.

In addition to legal workload, DSH reports continued high volume of Public Records Act (PRA) requests. DSH reports it received over 733 PRA requests and subpoenas in 2020 and 834 PRA requests and subpoenas in 2021. The 2019 Budget Act included General Fund expenditure authority of $767,000 in 2019-20 and 2020-21 to support the equivalent of 5.5 positions to address these increases in court hearings at which DSH attorneys are required to appear, as well as increases in requests pursuant to the Public Records Act. The 2021 Budget Act included General Fund expenditure authority of $777,000 in 2021-22 and 2022-23 to extend these positions for an additional two years. According to DSH, the workload to support court appearances and PRA requests is permanent and ongoing.

Staffing and Resource Request. DSH requests 5.5 positions and General Fund expenditure authority of $847,000 annually to permanently extend limited-term resources approved in the 2021 Budget Act to address a sustained increase in workload for court hearings and responding to Public Records Act requests. Like the previous requests, these resources would support the equivalent of 5.5 positions, including **three Attorney I** positions supported by **one Legal Secretary** to address the legal and court hearings workload, and **one Legal Analyst** and **0.5 Staff Services Analyst** to support the PRA workload. Approval of these resources would be a permanent extension of the resources approved in the 2019 Budget Act and extended in the 2021 Budget Act.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 10: Criminal Record Information (CORI) Data – Trailer Bill Language

Trailer Bill Language – Governor's Budget. DSH requests trailer bill language to provide access to Criminal Offender Record Information (CORI) to DSH for the purposes of Incompetent to Stand Trial (IST) Solutions and other mental health policy research and program evaluations.

Background. Recent budget actions to address the backlog of IST patients awaiting placement or treatment in the State Hospital system include the following:

- *IST Solutions.* The 2022 Budget Act included General Fund expenditure authority of $535.5 million to implement solutions to address the backlog of IST patients referred to the State Hospitals system for restoration to competency.
- *IST Diversion Pilot Program.* The 2018 Budget Act authorized DSH to establish an IST Diversion Pilot Program, in which DSH partners with counties to implement new or expand existing diversion programs to serve individuals who are likely to be or have been found IST on felony charges.
- *Forensic Assertive Community Treatment.* The 2021 Budget Act authorized DSH to establish a new Forensic Assertive Community Treatment model (FACT) within the CONREP program to increase opportunities for individuals treated within the State Hospital system to step down into community treatment, as well as to provide additional community-based treatment opportunities for individuals found IST on felony charges.

DSH is authorized by statute to conduct, or contract for, research and evaluation studies that have application to mental health policy and management issues. Effective evaluation of the policy impacts of these programs requires understanding recidivism rates and gaining understanding of the criminal charges associated with the commitments of this population. However, DSH is not one of the entities currently permitted to access Criminal Offender Record Information (CORI) for research and evaluation purposes under Penal Code Section 11105.

Trailer Bill Language Proposal. DSH requests trailer bill language to provide access to Criminal Offender Record Information (CORI) to DSH for the purposes of Incompetent to Stand Trial (IST) Solutions and other mental health policy research and program evaluations.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 11: Metropolitan – Central Utility Plant Replacement

Capital Outlay Budget Change Proposal – Governor's Budget. DSH requests General Fund expenditure authority of $1.9 million in 2023-24. If approved, these resources would support the working drawings phase of the project at Metropolitan State Hospital to replace the Central Utility Plant.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25**
0001 – General Fund	$1,863,000	$-
Total Funding Request:	**$1,863,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. The Central Utility Plant at Metropolitan State Hospital was completed in 1988 and provided a net electrical output of 27,800 kilowatts. Originally built and operated by Wheelabrator Norwalk Energy Corporation, Metropolitan assumed control of plant operations after termination of the contract with Wheelabrator. According to DSH, the plant operates the central steam boiler system and chiller plants, underground mechanical, electrical, and steam distribution infrastructure, energy management systems, and provides connection to the site's natural gas, water, and sanitary sewer lines. DSH reports that the old, inefficient design of the plant and the age of the equipment, along with the lack of modern environmental controls, makes future repair and maintenance difficult and extremely costly. In addition, DSH reports the original steam and underground piping distribution system was installed in 1915 and up to 20 percent of steam is lost through leaks. Major repairs to the infrastructure and full replacement of the older heating and cooling systems are necessary to achieve current operating standards for reliability, efficiency, and cost-effectiveness.

Capital Outlay Request – Working Drawings. DSH requests General Fund expenditure authority of $1.9 million in 2023-24 to support the working drawings phase for Metropolitan State Hospital to replace its existing Central Utility Plant, which supplies steam for hot water and central heating and chilled water for air conditioning to 32 patient housing and administrative buildings. DSH expects the project to: 1) replace the chillers, boilers, and pumps and replace all steam and condensate piping with hot water piping; 2) remove the steam and condensate piping campus-wide; 3) install hot water lines in the tunnels, crawl spaces, and open trenches with removable steel open grating locations; 4) install temporary steam boilers at several locations; and 5) install new boiler plant in the existing gas compressor room, consisting of three hot water boilers and pumps with room for a fourth boiler and pump if needed in the future. According to DSH, the new boilers would be comprised of commercial duty, low emissions equipment certified by the Southern California Air Quality Management District. The hot water pumps would also utilize variable speed operation to maximize plant efficiency.

According to DSH, total project costs are estimated to be $43.9 million, including the following:

- Preliminary plans - $1,835,000
- Working drawings - $1,863,000
- Construction - $40,233,000

The construction phase costs would include $32.8 million for the construction contract, $2.3 million for contingency, $2.9 million for architectural and engineering services, and $2.2 million for other project costs.

According to DSH, preliminary plans will be completed by December 2023, working drawings would begin in January 2024 and be completed in June 2025, and construction would begin in June 2025 and be completed in December 2026.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 12: Metropolitan – Fire Water Line Connection to Water Supply

Capital Outlay Budget Change Proposal – Governor's Budget. DSH requests General Fund expenditure authority of $536,000 in 2023-24. If approved, these resources would support the working drawings phase of the project at Metropolitan State Hospital to provide the capacity of water required for its fire sprinkler system to comply with current fire code requirements.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25**
0001 – General Fund	$536,000	$-
Total Funding Request:	**$536,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. According to DSH, marginal pressure and fire flows serving the new fire sprinkler system in the Central Kitchen at Metropolitan State Hospital resulted in a new fire water line project in 2011. The project included laying approximately 2,760 feet of dedicated fire main pipe from the existing storage tank site to the Central Kitchen. In addition, a 16-inch water line was designed to connect from the outlets of both existing 750,000 gallon steel water tanks. However, before completion of the project the State Fire Marshall inspector discovered the outlets on both water tanks did not possess an anti-vortex plate. As a result the project was not completed and there is no dedicated fire suppression line throughout the hospital as required by the National Fire Protection Association (NFPA).

Capital Outlay Request – Working Drawings. DSH requests General Fund expenditure authority of $536,000 in 2023-24 to support the working drawings phase for Metropolitan State Hospital to provide the capacity of water required for its fire sprinkler system to comply with current fire code requirements. DSH proposes to demolish one of the existing 750,000 gallon steel tanks and replace it with a new 1 million gallon dedicated fire water storage tank that would be able to meet current and future NFPA fire water flow requirements. The project would provide adequate fire flows and pressures to the fire suppression sprinkler systems for the hospital's Central Kitchen, skilled nursing facility, and Administration building. In addition, the project would allow for future expansion of the system to cover the entire hospital campus, including sizing the pump house for a future additional set of fire water pumps.

According to DSH, total project costs are estimated to be $10 million, including:

- Preliminary Plans - $548,000
- Working Drawings - $536,000
- Construction - $8.9 million

The construction phase costs would include $7.5 million for the construction contract, $523,000 for contingency, $694,000 for architectural and engineering services, and $245,000 for other project costs.

According to DSH, the preliminary plans phase would be completed in August 2023, the working drawings phase would begin in September 2023 and be completed in October 2024, and construction would begin November 2024 and be completed in June 2026.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 13: Atascadero – Sewer and Wastewater Treatment Plant

Capital Outlay Budget Change Proposal – Governor's Budget. DSH requests General Fund expenditure authority of $1 million in 2023-24. If approved, these resources would support the working drawings phase for the project at Atascadero State Hospital to provide upgrades to the sewer collection system, installation of a screening system, and connection to the City of Atascadero's wastewater treatment system.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25**
0001 – General Fund	$1,038,000	$-
Total Funding Request:	**$1,038,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. According to DSH, Atascadero State Hospital has not made significant improvements to its sewer collection and wastewater treatment plant since it was commissioned in the early 1950s. An assessment by the Central Coast Regional Water Quality Control Board determined the plant's treatment processes will not comply with requirements of a new general order for Waste Discharge Requirements (WDR). The assessment also identified a variety of other deficiencies including improper flow rates complicated by inadequate treatment capabilities and various corroded components. To avoid potential shut down of the plant by the State Water Resources Control Board, DSH proposes to upgrade the sewer collection system and connect to the wastewater treatment plant operated by the City of Atascadero, rather than upgrade the existing plant, due to the significant number of deficiencies identified in the assessment.

Capital Outlay Request – Working Drawings. DSH requests General Fund expenditure authority of $1 million in 2023-24 to support the working drawings phase for the project at Atascadero State Hospital to provide upgrades to the sewer collection system, installation of a screening system, and connection to the City of Atascadero's wastewater treatment system. The upgrades to the sewer collection system would include spot repairs, replacement of sections of pipes, and installation of new manholes to provide maintenance access. The screening system would be used to remove certain solids from the sanitary sewer collection system prior to conveying to the city wastewater treatment plant. Connection to the city's plant results in DSH becoming a new city sewer customer, with screened wastewater flowing by gravity to the plant. This connection would result in a one-time Sewer Connection Fee and monthly Sewer Service Charges that would be subject to negotiation and agreement between DSH and the City of Atascadero. These charges would be a function of the average daily wastewater discharge volume and wastewater strength composition.

According to DSH, total project costs are estimated to be $15.3 million, including:

- Preliminary Plans - $4.1 million
- Working Drawings - $1 million
- Construction - $10.2 million

The construction phase costs would include $8.1 million for the construction contract, $570,000 for contingency, $783,000 for architectural and engineering services, and $729,000 for other project costs.

According to DSH, the preliminary plans phase will be completed in March 2024, working drawings would begin in April 2024 and be completed in December 2025, and construction would begin in January 2026 and be completed in June 2027.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DSH to respond to the following:

1. Please provide a brief overview of this proposal.

4265 DEPARTMENT OF PUBLIC HEALTH

Issue 1: Budget Solution – Public Health Regional Climate Planning Reversion

Budget Solution – Governor's Budget. CDPH requests reversion of $25 million General Fund expenditure authority, originally approved in the 2022 Budget Act, for the Climate Change and Health Resilience Planning Grant Program. Of these amounts, $1.3 million was allocated for state operations and $23.7 million was allocated for local assistance. CDPH also indicates that if the Department of Finance determines there is sufficient General Fund to support this program, it would be restored in January 2024.

Program Funding Request Summary		
Fund Source	**2022-23**	**2023-24**
0001 – General Fund	($25,000,000)	$-
Total Funding Request:	**($25,000,000)**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. The 2022 Budget Act included General Fund expenditure authority of $25 million in 2022-23, available for encumbrance or expenditure until June 30, 2025 to provide grants to local health departments, community-based organizations, and tribes to develop regional Climate and Health Resilience Plans to bolster the actions of resource-limited local health departments and communities to more effectively prevent and reduce inequitable health impacts of climate change, including behavioral health risks. Each of the five Public Health Officer Regions would have been required to write at least one Climate Change and Health Resilience Plan, coordinated by one to two local health departments in the region. The Southern California region would have been funded to develop up to three Plans, the Bay Area region would have been funded to develop one or two Plans, and the other regions would each have written one Plan. One or two local health departments would have been selected to lead each regional Plan development process, based on a competitive process that prioritizes those facing greatest climate and health inequities as measured by the California Healthy Places Index.

CDPH's Office of Health Equity (OHE) would have been tasked to support LHJs, community-based organizations, and tribes or tribal health programs (tribes) to establish regional climate change and health resilience plans with a planning process that would have:

- Engaged community-based organizations, tribes, faith-based organizations, local government, and other stakeholders; conducted robust community engagement at every step of plan development and implementation; and established a collaborative stakeholder structure that detailed who will be engaged, roles, and decision-making methods.
- Assessed local vulnerability to health and equity impacts of climate change using available data and tools such as the CDPH Climate Change and Health Vulnerability Indicators for California, the State Cal-Adapt climate exposure tool, the California Healthy Places Index, and local health data and tools including Traditional Ecological Knowledge from tribes that wished to provide it.
- Completed an environmental scan of local climate change planning, including:
  - Resilience and adaptation planning and activities

  - Climate change mitigation planning and activities that reduce greenhouse gases and improve determinants of health such as physical activity, healthy food access, housing, and transportation
  - Other groups or entities addressing climate change with whom to collaborate.
- With technical assistance from CDPH, wrote a Climate Change and Health Resilience Plan that addressed priority climate change and health equity impacts identified in the vulnerability assessment, and that improved social determinants of health through climate change actions. Regional coalitions would have chosen interventions from a list of best practices provided by CDPH, including policy objectives to create long-term change that improves the health of entire populations. Regional Plans would have included metrics to evaluate the effectiveness of process and outcomes, including engagement of the community in plan development and implementation.

Due to the General Fund shortfall, CDPH requests reversion of $25 million General Fund expenditure authority, originally approved in the 2022 Budget Act, for the Climate Change and Health Resilience Planning Grant Program. Of these amounts, $1.3 million was allocated for state operations and $23.7 million was allocated for local assistance. CDPH also indicates that if the Department of Finance determines there is sufficient General Fund to support this program, it would be restored in January 2024.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this budget solution.

Issue 2: Lead Renovation, Repair, and Painting Program (SB 1076)

Budget Change Proposal and Trailer Bill Language – Governor's Budget. CDPH requests one position and General Fund expenditure authority of $615,000 in 2023-24 and 2024-25, an additional 32 positions and expenditure authority from the Lead-Related Construction Fund of $5.5 million in 2025-26 and $5.2 million annually thereafter. If approved, these positions and resources would allow CDPH to implement the lead-based paint Renovation, Repair, and Painting program, pursuant to the requirements of SB 1076 (Archuleta), Chapter 507, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$615,000	$615,000
Total Funding Request:	**$615,000**	**$615,000**
Total Requested Positions:	**1.0**	**1.0**

* Additional fiscal year resources requested (Lead-Related Construction Fund) – 2025-26: 32 positions and $5,511,000; 2026-27 and ongoing: $5,188,000.

Background. Lead is a highly neurotoxic heavy metal which does not degrade or break down in the environment. Lead exposure can cause a wide range of health problems and can result in lifelong damaging effects. At very high levels of exposure, lead can cause seizures, coma, and death. Lower levels of lead exposure affect the nervous system, decrease intelligence, and create learning deficits. The federal Centers for Disease Control and Prevention (CDC) has determined there is no safe level of lead exposure.

The federal Environmental Protection Agency (EPA) established the lead Renovation, Repair, and Painting (RRP) Rule to regulate the renovation of homes and child-occupied buildings constructed before the ban on the use of lead-based paint in 1978. EPA currently administers the RRP Rule in California. According to CDPH, EPA has less than ten staff assigned to administer the rule in EPA Region 9, which comprises Arizona, California, Hawaii, Nevada, the Pacific Islands, and 148 Tribal Nations. According to the EPA's Office of the Inspector General, this level of staff has led to a reduced ability of the EPA to adequately implement, enforce, and evaluate the success of the RRP rule. Less than one tenth of one percent of the 40,000 to 60,000 residential renovation contractors in California are inspected by EPA each year and between five and ten enforcement cases a year are taken by EPA in the state.

SB 1076 (Archuleta), Chapter 507, Statutes of 2022, requires CDPH to review and amend its regulations to comply with the RRP Rule. To comply with the requirements of SB 1076, CDPH would seek authorization from EPA to take over administration of the RRP Rule in California. Fourteen states are currently authorized to implement the RRP Rule and successfully perform a higher rate of RRP certification, inspections, and enforcement than the federal program. CDPH would need to establish a new system of fees to replace those of the EPA to support the new state-administered program. CDPH's Childhood Lead Poisoning Prevention Branch (CLPPB) and Occupational Health Branch (OHB) would administer the program, requiring an increase in staffing needs for both branches supported by the new fees.

Once CDPH becomes an RRP authorized state, CLPPB would expand training opportunities to residential renovation contractors to learn about lead-safe work practices, create a lead-safe residential renovation

workforce, increase awareness of the threat of lead poisoning and associated screening, and support compliance with and enforcement of RRP requirements. The program would also require RRP training providers to become accredited in California, be subject to more frequent audits and inspections, and submit course completion forms to track students and minimize the potential for fraudulent certification.

CDPH would also require individual renovators and renovation firms that perform RRP work to become certified in California by receiving regular training in lead-safe work practices to minimize lead exposure to themselves and their customers, and by employing at least one RRP-certified individual renovator.

According to CDPH, the new fees implemented by the program would be as follows:

1) A fee of $400 for five year accreditation of a training provider for each RRP-related class type. This fee would replace fees currently charged by EPA
2) A fee of $36 for accredited RRP training providers for each Course Completion Form submitted to verify that a student took the class and passed the exam. This would be a new fee.
3) A fee of $375 for five year certification of an RRP firm. This fee would replace fees currently charged by EPA.
4) A fee of $270 for a two year RRP certification of an individual. This would be a new fee.

Staffing and Resource Request. CDPH requests one position and General Fund expenditure authority of $615,000 in 2023-24 and 2024-25, an additional 32 positions and expenditure authority from the Lead-Related Construction Fund of $5.5 million in 2025-26 and $5.2 million annually thereafter to implement the lead-based paint Renovation, Repair, and Painting program, pursuant to the requirements of SB 1076 (Archuleta), Chapter 507, Statutes of 2022. Specifically, CDPH is requesting the following positions in the following units:

Childhood Lead Poisoning Prevention Branch – One position in 2023-24 and 2024-25 and 32 positions annually thereafter

- **One Environmental Program Manager I** position would serve as Chief in the Renovation Program Section and would coordinate management of the accreditation, certification, and enforcement and compliance assurance activities.
- Two administratively established **Health Program Specialist I** positions for three years and **one permanent Associate Governmental Program Analyst (AGPA)** in the Regulatory Harmonization Unit would promulgate regulations to adopt RRP, coordinate EPA authorization and funding for development of the state RRP program, conduct outreach to the regulatory community, and coordinate activity with the California Contractors State Licensing Board (CSLB).
- **One Senior Environmental Scientist, one Environmental Scientist,** and **four AGPAs** in the Training Provider Unit would oversee schools accredited for renovation training, accredit and audit renovation training schools, audit training renovation courses, and manage on-line programming and fees for accreditation of courses and submission of course completion forms.
- **One Senior Environmental Scientist, one Environmental Scientist, and five AGPAs, two Staff Services Analysts (SSAs),** and **one Associate Accounting Analyst** in the Certification Unit would supervise certification of renovation firms and individuals, certify individuals and firms, and manage online programming and fees for certification of individuals and firms.

- **One Senior Environmental Scientist, seven Environmental Scientists,** and **four AGPAs** in the Enforcement and Monitoring Unit would supervise renovation-related enforcement, conduct enforcement inspections and develop enforcement cases, and perform compliance assurance through warning letters and response to tips on compliance.

Occupational Health Branch – Two positions in 2025-26 and annually thereafter.

- **One Research Scientist** and **one Associate Health Program Advisor** in the Occupational Lead Poisoning Prevention Program would respond to greater workload associated with increased occupational lead testing, coordination, and outreach.

Trailer Bill Language Proposal. The Department of Finance indicates on its tracking spreadsheet for pending trailer bill language that this staffing and resource request would be accompanied by proposed trailer bill language. As of publication of this subcommittee agenda, the trailer bill language proposal has not been released.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

2. Please provide an update on the pending trailer bill language proposal associated with this request.

Issue 3: Extreme Heat – Statewide Extreme Heat Ranking System (AB 2238)

Budget Change Proposal – Governor's Budget. CDPH requests two positions and General Fund expenditure authority of $369,000 annually. If approved, these positions and resources would support creation of a statewide extreme heat ranking system, including a public communication plan, statewide guidance for preparing and planning for extreme heat events, and recommendations on local heat adaptation, preparedness and resilience measures, pursuant to the requirements of AB 2238 (Luz Rivas), Chapter 264, Statues of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$369,000	$369,000
Total Funding Request:	**$369,000**	**$369,000**
Total Requested Positions:	**2.0**	**2.0**

* Positions and resources ongoing after 2024-25.

Background. According to CDPH, extreme heat poses a significant public health threat to Californians. Activities that help local governments and residents prepare for extreme heat events could prevent illness and death. Developing and utilizing a statewide extreme heat ranking system may help raise public awareness and serve as a warning system to inform local preparedness, planning, and response efforts to mitigate the health harms of extreme heat events, particularly for communities facing greater vulnerability and disadvantage to climate-related health harms.

AB 2238 (Luz Rivas), Chapter 264, Statutes of 2022, requires CDPH to collaborate with the California Environmental Protection Agency (CalEPA) and other state agencies on developing a statewide extreme heat ranking system, outreach and communications about the ranking system, and recommendations to local governments relevant to extreme heat adaptation, preparedness, and resilience measures. CDPH will be required to provide technical assistance and subject matter expertise on data resources, analytic plans, public health literature, public health communications, statewide guidance for local health departments and tribes regarding extreme heat preparation and planning, community partnership and participation strategies, and the inclusion of vulnerable communities. CDPH will also be required to review and provide guidance on communications strategies so that they are focused on populations that are most at risk of public health and emergency impacts from extreme heat events, culturally appropriate and translated into languages commonly spoken in the target communities, and are based on public health evidence and recommendations. Additionally, CDPH will be required to leverage partnerships with local health departments and tribal entities.

Staffing and Resource Request. CDPH requests two positions and General Fund expenditure authority of $369,000 annually to support creation of a statewide extreme heat ranking system, including a public communication plan, statewide guidance for preparing and planning for extreme heat events, and recommendations on local heat adaptation, preparedness and resilience measures, pursuant to the requirements of AB 2238 (Luz Rivas), Chapter 264, Statues of 2022. Specifically, CDPH requests the following positions in the Office of Health Equity:

Climate Change and Health Equity Section – Two positions

- **One Research Scientist II** position would lead all activities for reviewing and assessing relevant public health data, literature, and other resources for informing CalEPA's development of the extreme heat ranking system; provide health evidence base to implementing and consulting agencies to guide development and implementation of communications and outreach efforts; develop recommendations for local governments on heat adaptation, preparedness, and resilience; lead CDPH efforts to provide consultation to implementing agencies.
- **One Health Program Specialist II** position would provide subject matter expertise regarding public health and extreme heat communications campaigns; coordinate the public health and health aspects of developing guidance and recommendations for protecting communities from extreme heat events; review and provide technical assistance on communications and outreach efforts; provide consultation for the development of a public communication plan for the statewide extreme heat ranking system; provide consultation to implementing agencies.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 4: Childhood Drowning Data Collection Pilot Program (SB 855)

Budget Change Proposal – Governor's Budget. CDPH requests General Fund expenditure authority of $260,000 in 2023-24, $632,000 in 2024-25 and 2025-26, and $316,000 in 2026-27. If approved, these resources would allow CDPH to establish and administer a three-year Childhood Drowning Data Collection Pilot Program pursuant to SB 855 (Newman), Chapter 817, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$260,000	$632,000
Total Funding Request:	**$260,000**	**$632,000**
Total Requested Positions:	**0.0**	**0.0**

* Additional fiscal year resources requested – 2025-26: $632,000, 2026-27: $316,000.

Background. SB 855 (Newman), Chapter 817, Statutes of 2022, requires CDPH to establish a comprehensive, coordinated, and data-driven approach to childhood drowning prevention through a Childhood Drowning Data Collection Pilot Program. The program would leverage existing Fatal Child Abuse and Neglect Surveillance (FCANS) data, but CDPH indicates this effort would be a completely novel approach to childhood drowning surveillance and prevention. Existing data systems on childhood drownings either do not contain critical information on the drowning circumstances or are not consistently and completely used for data reporting across the state. Additionally, there are no statewide coordinated efforts to prevent childhood drowning.

SB 855 would address these issues by requiring CDPH to develop standard childhood drowning data reporting protocols and facilitate the creation of a California Water Safety Action Plan for Children. The bill requires CDPH to establish a pilot program, on or before January 1, 2024, to collect detailed data on childhood drownings in five to ten counties, report progress and findings to the Legislature, and publish a California Water Safety Action Plan for Children.

Staffing and Resource Request. CDPH requests General Fund expenditure authority of $260,000 in 2023-24, $632,000 in 2024-25 and 2025-26, and $316,000 in 2026-27 to establish and administer a three-year Childhood Drowning Data Collection Pilot Program pursuant to SB 855 (Newman), Chapter 817, Statutes of 2022. Specifically, these resources would support the following administrative established positions:

- **One Research Scientist III** position would oversee the data collection pilot program, recruit and provide technical assistance to the counties, and analyze drowning data and disseminate results through reports and the California Water Safety Action Plan for Children.
- **One Health Education Consultant III** position would develop and oversee the two legislative reports and the California Water Safety Action Plan for Children, engage with water safety and childhood injury prevention stakeholders and other state agencies, establish and facilitate the advisory group, solicit and incorporate feedback into the reports, and develop recommendations for policies and other interventions to prevent childhood drownings.

- **One Associate Governmental Program Analyst (AGPA)** would provide administrative support for the program, including serving as a liaison to counties and the training entities, general contracts and program management, and supporting data collection analysis, and reporting efforts.

In addition, $112,500 in 2024-25 and 2025-26, and $56,250 in 2026-27 would be allocated for local assistance.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 5: Restroom Access – Medical Conditions (AB 1632)

Budget Change Proposal – Governor's Budget. CDPH requests nine positions and General Fund expenditure authority of $1.4 million annually. If approved, these positions and resources would support creation of a new program to implement and oversee appropriate access to restrooms in places of business for certain medical conditions, pursuant to the requirements of AB 1632 (Weber), Chapter 893, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$1,426,000	$1,426,000
Total Funding Request:	**$1,426,000**	**$1,426,000**
Total Requested Positions:	**9.0**	**9.0**

* Positions and resources ongoing after 2024-25.

Background. AB 1632 (Weber), Chapter 893, Statutes of 2022, requires CDPH to do the following:

1) Develop a standard electronic form to be shared on its website, in a printable format, that a health care provider may sign to serve as reasonable evidence of the existence of an eligible medical condition or use of an ostomy device.
2) Oversee and enforce new requirements on places of business to allow restroom access for individuals with eligible medical conditions when presented with the signed form developed by CDPH.

People with certain medical conditions, such as Crohn's disease or ulcerative colitis, may experience symptoms that require immediate access to a restroom. Several organizations, including the Crohn's and Colitis Foundation, offer cards that individuals with gastrointestinal disorders can carry to explain their symptoms to facility managers in case of an emergency. Prior to AB 1632, businesses were not required to grant access to restrooms to an individual with one of these medical conditions. AB 1632 requires a place of business open to the public for the sale of goods that has a restroom for its employees to allow any individual with an eligible medical condition to use the employee restroom if immediate access to a toilet facility is required. CDPH may impose a civil penalty of up to $100 for each violation on a business owner where the violation was due to willful or grossly negligent conduct.

CDPH indicates it would implement AB 1632 in two phases. In the first phase, CDPH would promulgate regulations to implement the requirements of AB 1632 and begin development of the standard form. In the second phase, staff would transition to investigation and compliance activities.

Staffing and Resource Request. CDPH requests nine positions and General Fund expenditure authority of $1.4 million annually to support creation of a new program to implement and oversee appropriate access to restrooms in places of business for certain medical conditions, pursuant to the requirements of AB 1632 (Weber), Chapter 893, Statutes of 2022. Specifically, CDPH requests the following positions and resources:

- **One Staff Services Manager I** position would recruit, train, and manage staff while overseeing the program and developing policies and procedures for operations.

- **Five Associate Governmental Program Analysts (AGPAs)** would provide technical assistance and development for the implementation and oversight of program compliance, including conducting investigations, issuing citations, and collecting fines; conduct program evaluations and develop program progress reports.
- **One AGPA** would provide legislative support for the program while working with the Office of Legal Services' attorneys to prepare for administrative hearings.
- **One Management Services Technician** would provide administrative support services.
- **One Attorney III** position would represent CDPH during due process hearings or appeals by businesses related to fine violations.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 6: Genetic Disease Screening Program (GDSP) Estimate

Genetic Disease Screening Program Estimate – Governor's Budget. The November 2022 Genetic Disease Screening Program Estimate includes expenditure authority from the Genetic Disease Testing Fund of $173.9 million ($36.9 million state operations and $137.1 million local assistance) in 2022-23, and $184.4 million ($38.1 million state operations and $146.3 million local assistance) in 2023-24.

Genetic Disease Screening Program (GDSP) Funding Summary			
	2022-23	**2023-24**	**BY to CY**
Fund Source	***Revised***	***Proposed***	***Change***
0203 – Genetic Disease Testing Fund			
State Operations:	$36,851,000	$38,066,000	$1,215,000
Local Assistance:	$137,089,000	$146,322,000	$9,233,000
Total GDSP Expenditures	**$173,940,000**	**$184,388,000**	**$10,448,000**

Background. According to CDPH, the Genetic Disease Screening Program (GDSP) performs the following tasks to support its mission:

- Screens newborns and pregnant individuals for genetic and congenital disorders in a cost-effective and clinically effective manner. The screening programs provide testing, follow-up, and early diagnosis of disorders to prevent adverse outcomes or minimize clinical effects.
- Ensures quality of analytical test results and program services by developing standards and quality assurance procedures, and monitoring compliance.
- Fosters informed participation in its programs in an ethical manner through a combination of patient, professional, and public education, and accurate and up-to-date information and counseling.
- Provides ongoing critical review, testing, and evaluation of existing programs to ensure program objectives and goals are being met.
- Develops programs to adopt new methods and implement new services that further enhance the effectiveness and efficiency of current and future prevention programs.
- Promotes use of high-quality consumer education materials on genetic disorders, screening for birth defects and genetic services.

GDSP operates two primary screening programs: the Newborn Screening Program and the Prenatal Screening Program. Caseload and expenditures for these programs are reflected in the GDSP Estimate along with operational support costs for the programs.

Newborn Screening (NBS) Program. Newborn screening, recognized nationally as an essential preventive health measure, began in California in 1966 with the testing of infants for phenylketonuria (PKU). In 1980, the program was expanded to include galactosemia, primary congenital hypothyroidism, and included a more comprehensive follow-up system. In 1990, screening for sickle cell disease was added to the screening program, which allows for identification of related non-sickling hemoglobin disorders, including beta-thalassemia major, and Hb E/beta thalassemia. In 1999, the program implemented screening for hemoglobin H and hemoglobin H - Constant Spring disease. In 2005 the screening panel was expanded to include additional metabolic disorders and congenital adrenal hyperplasia (CAH), and

in 2007, the screening panel was expanded to include cystic fibrosis (CF) and biotinidase deficiency (BD). In 2010, Severe Combined Immunodeficiency (SCID) was added to the screening panel.

According to CDPH, disorders screened for by the program have varying degrees of severity and, if identified early, many can be treated before they cause serious health problems. Between 1980 and 2017, 18,920,529 babies were screened resulting in early identification of the following disorders:

Disorder	Cases
Phenylketonuria (PKU)	1,264
Primary Congenital Hypothyroidism	7,857
Galactosemia	1,018
Sickle Cell Disease and other clinically significant Hemoglobinopathies	5,006
Biotinidase Deficiency (BD)	209
Cystic Fibrosis (CF)	636
Congenital Adrenal Hyperplasia (CAH)	376
Metabolic Fatty Acid Oxidation Disorders	741
Metabolic Amino Acid Disorders (other than PKU)	203
Metabolic Organic Acid Disorders	518
Other Metabolic Disorders	62
Severe Combined Immunodeficiencies	75
X-Linked Adrenoleukodystrophy (ALD) and Other Peroxisomal Disorders	50
TOTAL	**18,015**

The NBS program currently screens infants in California for more than 80 separate disorders. Pursuant to SB 1095 (Pan), Chapter 363, Statutes of 2016, two additional disorders, Mucopolysaccharidosis type I (MPS-I) and Pompe disease, were added to the screening panel in 2018. In addition, as conditions are added to the federal Recommended Uniform Screening Panel (RUSP), SB 1095 requires them to be added to the NBS program screening panel within two years. The current fee for screening in the NBS program is currently $211.

NBS Caseload Estimate: The budget estimates NBS program caseload of 432,294 in 2022-23, an increase of 9,003 or 2.1 percent, compared to 2021-22 actual total caseload of 423291. The budget estimates NBS program caseload of 432,563 in 2023-24, an increase of 269 or 0.06 percent, compared to the revised 2022-23 estimate. These estimates are based on state projections of the number of live births in California. CDPH assumes 100 percent of children born in California will participate in the NBS program annually.

Prenatal Screening (PNS) Program. The Prenatal Screening (PNS) program provides prenatal screening services and follow-up diagnostic services, where indicated, to all pregnant individuals in California to detect birth defects during pregnancy. The program offers two types of prenatal screening:

- Cell-free DNA (cfDNA) Screening - Cell-free DNA (cfDNA) is a non-invasive screening test for fetal chromosomal abnormalities that relies on extraction of maternal and fetal cells from a pregnant individual's blood sample. cfDNA can detect chromosomal abnormalities and birth defects including trisomy 21 (Down syndrome), trisomy 18 (Edwards syndrome), and trisomy 13 (Patau syndrome). Compared to the metabolic screening methods previously used by PNS, cfDNA screening results in

fewer false positives and better accuracy resulting in fewer pregnant individuals being referred for diagnostic follow-up services.

- Maternal Serum Alpha-Fetoprotein (MSAFP) Screening – Alpha-fetoprotein (AFP) is a protein mainly produced in the fetal liver and released into the maternal serum (MSAFP) and amniotic fluid. A small amount crosses the placenta and becomes measurable in the maternal serum towards the end of the first trimester. Levels rise steadily through the second trimester. This screening detects neural tube defects, such as open spina bifida or anencephaly, which result in higher than normal MSAFP in maternal serum.

For pregnant individuals with screening results indicating a high risk for a birth defect, the program provides free follow-up diagnostic services at state-approved Prenatal Diagnosis Centers (PDCs). Services offered at these centers include genetic counseling, ultrasound, and amniocentesis. Participation in the screening testing and follow-up services is voluntary and the fee for testing through the PNS program is $232. Of the $232 fee, $222 is deposited in the Genetic Disease Testing Fund to support PNS, and $10 is deposited into the California Birth Defect Monitoring Program Fund. There is also a separate fee for neural tube defect (NTD) screening of $85.

PNS Caseload Estimate: The budget estimates PNS program caseload of 598,735 specimens in 2022-23, an increase of 175,475 or 41.5 percent, compared to 2021-22 actual total caseload of 423,260 specimens. The budget estimates PNS program caseload of 603,950 specimens in 2023-24, an increase of 5,215 or 0.9 percent, compared to the revised 2022-23 estimate. These estimates are based on state projections of the number of live births in California. CDPH estimates approximately 72 percent of projected births in California will participate in the PNS program in 2022-23 and 73 percent will participate in 2023-24.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of the caseload and expenditure changes for the Newborn Screening Program.

2. Please provide a brief overview of the caseload and expenditure changes for the Prenatal Screening Program.

Issue 7: California Newborn Screening Program Expansion

Budget Change Proposal – Governor's Budget. CDPH requests four positions and expenditure authority from the Genetic Disease Testing Fund of $3.5 million in 2023-24, $3.3 million in 2024-25 and 2025-26, and $2.7 million annually thereafter. If approved, these positions and resources would support expansion of newborn screening to include mucopolysaccharidosis type II (MPS II) and guanidinoacetate methyltransferase (GAMT) deficiency, pursuant to the requirements of SB 1095 (Pan), Chapter 393, Statutes of 2016.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0203 – Genetic Disease Testing Fund	$3,454,000	$3,254,000
Total Funding Request:	**$3,454,000**	**$3,254,000**
Total Requested Positions:	**4.0**	**4.0**

* Additional fiscal year resources requested – 2025-26: $3,254,000, 2026-27 and ongoing: $2,699,000.

Background. GDSP administers a statewide genetic disorder screening program for pregnant individuals and newborns that is fully supported by fees. When the Newborn Screening (NBS) program within GDSP began in 1980, each newborn was screened for only three disorders. Today, more than 400,000 newborns are screened for 80 disorders annually, resulting in more than 1,000 diagnoses. According to CDPH, California leads the nation in the number of disorders screened and provides the most comprehensive program in terms of quality control, follow-up services, genetic counseling, confirmatory testing, and diagnostic services.

SB 1095 (Pan), Chapter 393, Statutes of 2016, requires the NBS program to expand statewide screening of newborns to include screening for any disease that is detectable in blood samples within two years of the disease being adopted by the federal Recommended Uniform Screening Panel (RUSP). Mucopolysaccharidosis type I (MPS-I) and Pompe disease were added to the RUSP in 2016 and 2015, respectively, and were added to the panel for newborn screening in 2018.

On August 2, 2022, newborn screening for mucopolysaccharidosis type II (MPS II) was added to the federal RUSP. In addition, guanidinoacetate methyltransferase (GAMT) deficiency was added as of January 2023. MPS II is a genetic condition that can lead to intellectual disabilities and life-threatening cardiac and pulmonary complications due to a metabolic disorder that impairs the processing of complex sugars, causing the molecules to build up in various parts of the body. The condition can be treated by enzyme replacement through periodic intravenous infusions to help prevent storage complications and improve health outcomes. GAMT deficiency is a genetic condition that can lead to seizures, intellectual disabilities, behavioral manifestations such as autism, and movement disorders. It is possible to improve health outcomes for this condition by treating with supplements and dietary restrictions to help prevent neurological complications. Pursuant to SB 1095, MPS II and GAMT deficiency must be added to the NBS statewide screening program within two years of adoption by the RUSP.

Staffing and Resource Request. CDPH requests four positions and expenditure authority from the Genetic Disease Testing Fund of $3.5 million in 2023-24, $3.3 million in 2024-25 and 2025-26, and $2.7 million annually thereafter to support expansion of newborn screening to include mucopolysaccharidosis type II (MPS II) and guanidinoacetate methyltransferase (GAMT) deficiency, pursuant to the requirements

of SB 1095 (Pan), Chapter 393, Statutes of 2016. Specifically, CDPH requests the following positions and resources:

- **One Research Scientist III** position and **one Research Scientist I** position would perform laboratory implementation procedures that lead to routine testing of the two new disorders, including local development, validation, and maintenance of a testing methodology and testing kits to be provided to regional Newborn and Prenatal Screening laboratories.
- **One Health Program Specialist II** position, **one Health Program Specialist I** position, and **four temporary help positions** would provide program support functions to the testing, screening, and implementation, including monitoring of implementation and follow-up activities at Special Care Centers throughout California, developing patient and provider educational materials, budget building, human resources, contracting, and procurement.

CDPH also requests expenditure authority from the Genetic Disease Testing Fund of $2.2 million in 2023-24 and $2 million annually thereafter, to support upgrades to the Screening Information System (SIS), which houses all newborn screening records, and the Specimen Gate software, which will accommodate all new transmitted screening results. Beginning in 2024-25, these resources would support ongoing costs for implementation, consumables, screening supplies and reagents, DNA sequencing, confirmatory and molecular testing, follow-up service center costs, and increased SIS database and software maintenance.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 8: Women, Infants, and Children (WIC) Program Estimate

WIC Program Estimate – Governor's Budget. The November 2022 Women, Infants, and Children (WIC) Program Estimate includes total expenditure authority of $1.3 billion ($1.1 billion federal funds and $213.8 million WIC manufacturer rebate funds) in 2022-23 and $1.3 billion ($1.1 billion federal funds and $221.9 million WIC manufacturer rebate funds) in 2023-24. The federal fund amounts include state operations costs of $64.5 million in 2022-23 and 2023-24.

Women, Infants, and Children (WIC) Funding Summary			
	2022-23	**2023-24**	**BY to CY**
Fund Source	***Revised***	***Proposed***	***Change***
0890 – Federal Trust Fund			
State Operations:	$64,502,000	$64,475,000	($22,000)
Local Assistance:	$1,029,551,000	$1,044,309,000	$14,758,000
3023 – WIC Manufacturer Rebate Fund			
Local Assistance:	$213,809,000	$221,918,000	$8,109,000
Total WIC Expenditures	**$1,307,862,000**	**$1,330,702,000**	**$22,840,000**

Background. The WIC program provides nutrition services and food assistance for pregnant, breastfeeding, and non-breastfeeding individuals, infants, and children up to their fifth birthday at or below 185 percent of the federal poverty level. WIC program services include nutrition education, breastfeeding support, assistance with finding health care and other community services, and vouchers for specific nutritious foods that are redeemable at WIC-authorized retail food outlets throughout the state. The WIC program receives federal funds from the United States Department of Agriculture (USDA) under the federal Child Nutrition Act of 1966. Specific uses of WIC Program funds are governed by federal laws and regulations, and CDPH must report funds and expenditures monthly.

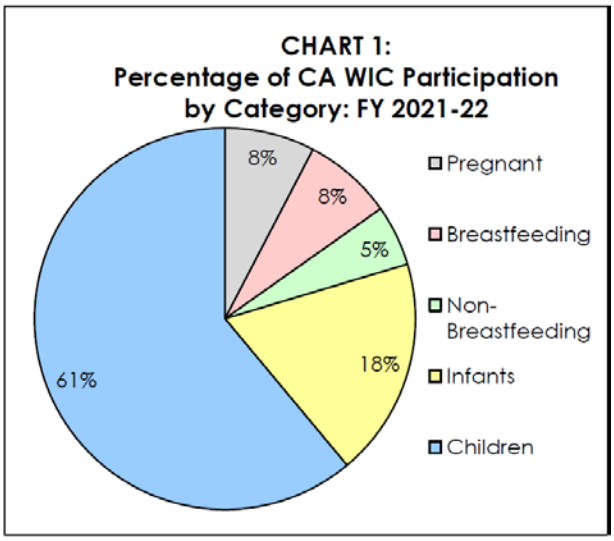
The WIC program's food expenditures are funded by a combination of federal grants and rebates from manufacturers of infant formula. Federal WIC regulations require that state WIC programs have sole supplier rebate contracts in place with infant formula manufacturers for milk-based and soy-based infant formula. As infant formula is provided to WIC recipients, the program receives a rebate from the manufacturer which is used to fund additional food expenditures. In addition to food expenditures, the program receives federal funds from the Nutrition Services and Administration (NSA) grant, which are used to contract with local agencies for direct services provided to WIC families including intake, eligibility determination, benefit issuance, nutrition education, breastfeeding support, and referrals to health and social services. The NSA grant also funds state operations for administering the WIC program.

WIC Participant Caseload. Food expenditures are divided into five participant categories, each with special nutrition needs that influence food costs:

- **Pregnant individuals** are eligible for the WIC program at any point in their pregnancy, and receive supplemental foods high in protein, calcium, iron, vitamin A, and vitamin C to support optimal fetal development.

- **Breastfeeding individuals** are eligible for benefits up to their infant's first birthday, and receive an enhanced supplemental food package with foods high in protein, calcium, iron, vitamin A, and vitamin C to support caloric needs during breastfeeding.
- **Non-breastfeeding individuals** are eligible for benefits up to six months after the birth of their infants, and receive a supplemental food package to help in rebuilding nutrient stores, especially iron and calcium, and achieving a healthy weight after delivery.
- **Infants** are eligible until one year of age. The WIC Program promotes breastfeeding as the optimal infant feeding choice due to its many health, nutritional, economical, and emotional benefits to parent and baby. Infants may also receive supplemental foods that are rich in protein, calcium, iron, vitamin A, and vitamin C during this critical period of development.
- **Children** are eligible from age one up to age five, and receive supplemental foods rich in protein, calcium, iron, vitamin A, and vitamin C. These nutrients have been shown to be lacking in the diets of children who qualify for WIC benefits and are needed to meet nutritional needs during critical periods of development. The food package also provides foods lower in saturated fat to reduce the risk of childhood obesity.

According to the WIC program Estimate, WIC participation by category, as of 2021-22, was as follows:



Caseload Estimates. The budget assumes 943,237 average monthly WIC participants in 2022-23, an increase of 9,581 or one percent compared to the average monthly actual WIC participants in 2021-22, and an increase of 56,938 or 6.4 percent, compared to estimates in the 2022 Budget Act. The budget assumes 946,352 average monthly WIC participants in 2023-24, an increase of 3,115 or 0.3 percent from the revised 2022-23 caseload estimate.

Food Expenditures Estimate. The budget includes $921.4 million ($707.6 million federal funds and $213.8 million rebate fund) in 2022-23 for WIC program food expenditures, an increase of $218.8 million or 31.2 percent, compared to the 2022 Budget Act. According to CDPH, the increase in costs is due to an increase in estimated participation, an increase in food inflation, a reduction in projected rebates, and extension of the federal fruits and vegetables benefit increase for a full year, with an inflationary adjustment to benefit levels.

The budget includes $944.2 million ($722.3 million federal funds and $221.9 million rebate funds) in 2023-24 for WIC program food expenditures, an increase of $22.8 million or 2.5 percent from the revised 2022-23 food expenditures estimate. According to CDPH, this increase in costs is driven by extension of the federal fruits and vegetables benefit with an inflationary increase to benefit levels, an increase in estimated participation, and food inflation.

Nutrition Services and Administration (NSA) Estimate. The budget includes $322 million for other local assistance expenditures for the NSA budget in 2022-23 and 2023-24, unchanged from the 2022 Budget Act. The budget also includes $64.5 million for state operations expenditures in 2022-23, an increase of $1.4 million or 2.2 percent from the level assumed in the 2022 Budget Act, and $64.5 million in 2023-24, an increase of $22,000 or 0.03 percent from the revised 2022-23 estimate.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested DPH to respond to the following:

1. Please provide a brief overview of the caseload and expenditure changes for the WIC program.

2. Please provide an update on participation in the program as a percentage of eligible individuals in the state.

Issue 9: Reduction of Human Remains and the Disposition of Reduced Human Remains (AB 351)

Budget Change Proposal – Governor's Budget. CDPH requests one position and General Fund expenditure authority of $357,000 in 2023-24, $403,000 in 2024-25, $335,000 in 2025-26, and $193,000 annually thereafter. If approved, these position and resources would support adoption of rules and regulations prescribing standards for human reduction chambers, pursuant to the provisions of AB 351 (Cristina Garcia), Chapter 399, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$357,000	$403,000
Total Funding Request:	**$357,000**	**$403,000**
Total Requested Positions:	**1.0**	**1.0**

* Additional fiscal year resources requested – 2025-26: $335,000, 2026-27 and ongoing: $193,000.

Background. The reduction of human remains, also known as natural organic reduction, occurs in a reduction chamber in which human remains are processed into soil amendments. AB 351 (Cristina Garcia), Chapter 399, Statutes of 2022, among other provisions, requires CDPH to adopt rules and regulations prescribing the standards for reduction chambers to preserve the public health and safety and to ensure the destruction of pathogenic microorganisms. Beginning January 1, 2027, reduction chamber manufacturers would be required to apply to CDPH for approval for use in the state and CDPH would be authorized to charge a regulatory fee for the evaluation of a reduction chamber.

According to CDPH, AB 351 would require development of efficacy testing and drafting of regulations regarding the standards for human remains reduction chambers, and review and approval of applications of reduction chambers submitted by manufacturers. Applications would not be able to reviewed until implementation of regulations, a process expected to take approximately three years. As the science of human remains reduction is new, CDPH anticipates ongoing changes to regulations over time as new data on human reduction science is collected regarding impacts on public health and destruction of pathogens.

Staffing and Resource Request. CDPH requests one position and General Fund expenditure authority of $357,000 in 2023-24, $403,000 in 2024-25, $335,000 in 2025-26, and $193,000 annually thereafter to support adoption of rules and regulations prescribing standards for human reduction chambers, pursuant to the provisions of AB 351 (Cristina Garcia), Chapter 399, Statutes of 2022. Specifically, CDPH requests the following position and resources:

- **One Senior Environmental Scientist** would conduct research, develop efficacy testing, and develop and implement regulation packages.
- CDPH requests General Fund expenditure authority of $67,000 in 2023-24, $113,000 in 2024-25, and $45,000 in 2025-26 to support an external contract for subject matter experts.
- CDPH requests General Fund expenditure authority of $97,000 annually for three years for administrative costs for its Office of Regulations.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 10: Recreational Water Use – Regulation of Wave Basins (AB 2298)

Budget Change Proposal – Governor's Budget. CDPH requests one position and General Fund expenditure authority of $193,000 in 2023-24, $290,000 in 2024-25 and 2025-26, $380,000 in 2026-27, and $193,000 annually thereafter. If approved, these position and resources would support adoption of regulations on the sanitation and safety of wave basins, pursuant to the provisions of AB 2298 (Mayes), Chapter 461, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0001 – General Fund	$193,000	$290,000
Total Funding Request:	**$193,000**	**$290,000**
Total Requested Positions:	**1.0**	**1.0**

* Additional fiscal year resources requested – 2025-26: $290,000, 2026-27: $380,000, 2027-28 and ongoing: $193,000.

Background. A wave basin is an artificially constructed body of water within an impervious water containment structure incorporating the use of a mechanical device principally designed to generate waves for surfing on a surfboard or analogous surfing device commonly used in the ocean and intended for sport. AB 2298 (Mayes), Chapter 461, Statutes of 2022, requires wave basins to be subject to regulation as a permanent amusement ride under the Permanent Amusement Ride Safety Inspection Program, administered by the Division of Occupational Safety and Health (CalOSHA), and requires CDPH to adopt regulations for the sanitation and safety of wave basins. CDPH may base its regulations on existing public swimming pool regulatory requirements but must consider the unique characteristics of a wave basin, including size, volume of water, and the chemical dispersion caused by wave action.

Staffing and Resource Request. CDPH requests one position and General Fund expenditure authority of $193,000 in 2023-24, $290,000 in 2024-25 and 2025-26, $380,000 in 2026-27, and $193,000 annually thereafter to support adoption of regulations on the sanitation and safety of wave basins, pursuant to the provisions of AB 2298 (Mayes), Chapter 461, Statutes of 2022. Specifically, CDPH requests the following position and resources:

- **One Senior Environmental Scientist** would research wave basin design and human health related components, attend Center for Disease Control (CDC) and Model Aquatic Health Code (MAHC) adoption meetings, compare and review MAHC and consult with CDC, investigate reported water borne illness events at beaches and water venues, meet and cover with local environmental health committees, write and revise regulations text, prepare other rulemaking documents, meet with rulemaking project team, obtain and evaluate public comments, and complete other required documents.
- CDPH also requests General Fund expenditure authority of $97,000 annually for three years to develop regulations and an additional $90,000 in 2026-27 to support adoption of new standards by the Building Standards Commission.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 11: Limited Podiatric Radiography Permit (AB 1704)

Budget Change Proposal – Governor's Budget. CDPH requests General Fund expenditure authority of $425,000 in 2023-24. If approved, these resources would support implementation of a new limited podiatric radiography permit, pursuant to the requirements of AB 1704 (Chen), Chapter 580, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25**
0001 – General Fund	$425,000	$-
Total Funding Request:	**$425,000**	**$-**
Total Requested Positions:	**0.0**	**0.0**

Background. The Radiologic Technology Act, enacted in 1969, makes it unlawful for a person to administer or use diagnostic or therapeutic X-rays unless certified or permitted, is acting within the scope of that certification or permit, and is under the supervision of a person who holds a Supervisor and Operator certificate or permit issued by CDPH. Pursuant to the act, a certified individual is called a Certified Radiologic Technologist (CRT) and can take X-rays of all body parts. A permitted individual is called a Limited Permit X-ray Technician (XT) and can take X-rays of most body parts including the lower extremities.

CDPH has established radiation safety courses to include theory and clinical application in radiographic technique, determined the qualifications for instructors, and approved the examinations that must be passed to become a CRT or an XT. There is an exemption provision that provides for the training of non-certified, or non-permitted individuals to become a CRT or an XT. This training must occur in CDPH-approved X-ray schools so individuals can, through education, training, and experience, become competent taking X-rays.

According to CDPH, the process that currently allows individuals to obtain a limited permit specific to podiatry has become unsustainable because there are no schools in California offering courses specific to podiatry. This has resulted in a shortage of podiatric medical assistants certified to take X-rays.

AB 1704 (Chen), Chapter 580, Statutes of 2022, creates an alternate pathway for trained podiatric medical assistants to take a comprehensive, CDPH-approved course and exam which will allow them to perform X-rays on the foot, ankle, tibia, and fibula only in a podiatric office. The bill establishes the criteria for who supervises the individual's training, addresses how a licensed podiatrist applies for approval and determines the standards for an approved program. AB 1704 limits the training course completion time to a maximum of one year for each student, and one student per licensed doctor of podiatric medicine.

Staffing and Resource Request. CDPH requests General Fund expenditure authority of $425,000 in 2023-24 to support implementation of a new limited podiatric radiography permit, pursuant to the requirements of AB 1704 (Chen), Chapter 580, Statutes of 2022. Specifically, these resources would support creation of a new permit in CDPH's existing licensing database, which is used to maintain applicant information, issue initial authorizations, renew billing documents, and renew authorization documents. The database also supplies data for the online Permit Search Tool, which is used by applicants,

authorization holders, hospitals, clinics, doctor's offices, and staffing and government agencies within California and internationally, to determine whether a person holds an authorization under the Radiologic Technology Act.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 12: Center for Health Care Quality Estimate

Center for Health Care Quality Program Estimate – Governor's Budget. The budget includes expenditure authority for the Center for Health Care Quality of $448.5 million ($14.8 million General Fund, $107.2 million federal funds, and $326.5 million special funds and reimbursements) in 2022-23, an increase of $7.3 million or 1.7 percent compared to the 2022 Budget Act, and $436.1 million ($8.3 million General Fund, $107.2 million federal funds, and $320.6 million special funds and reimbursements) in 2023-24, a decrease of $5.1 million or 1.2 percent compared to the revised 2022-23 budget. According to CDPH, the increase in 2022-23 is attributed to implementation of a budget change proposal adopted in the 2022 Budget Act to protect vulnerable populations from extreme heat, while the increase in 2023-24 is attributed primarily to a reduction in authority from the General Fund, the Internal Departmental Quality Improvement Account, the Federal Health Facilities Citation Penalties Account, and various other baseline adjustments, offset by budget change proposals for implementing hospice facility licensure, skilled nursing facility change of ownership and management requirements, and requirements for gender affirming care.

CHCQ Funding Summary, November 2022 Estimate		
Fund Source	**2022-23**	**2023-24**
0001 – General Fund	$14,801,000	$8,301,000
0890 – Federal Trust Fund	$107,165,000	$107,165,000
0942 – Special Deposit Fund		
Internal Departmental Quality Improvement Account	$3,686,000	$686,000
State Health Facilities Citation Penalty Account	$2,144,000	$2,144,000
Federal Health Facilities Citation Penalty Account	$7,141,000	$6,140,000
0995 – Reimbursements	$13,416,000	$13,850,000
3098 – Licensing and Certification Program Fund	$300,164,000	$297,820,000
Total CHCQ Funding	**$448,517,000**	**$436,106,000**
Total CHCQ Positions	**1536.4**	**1539.4**

Background. CDPH's Center for Health Care Quality, Licensing and Certification Program (L&C) is responsible for administering the licensure, regulation, inspection, and certification of health care facilities and certain health care professionals in California. The program is organized into 14 district offices and Los Angeles County, which operates under a contract with the L&C program. L&C staff conduct periodic inspections and investigation of complaints and entity-reported incidents to ensure health care facilities comply with state and federal laws and regulations. L&C also contracts with the federal Centers for Medicare and Medicaid Services (CMS), which provides federal funding to ensure that facilities accepting Medicare and Medi-Cal payments comply with federal laws and regulatory requirements. In addition to facility oversight, L&C oversees the certification of certified nurse assistants, home health aides, hemodialysis technicians, and the licensing of nursing home administrators.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of the Center for Health Care Quality, including regulatory responsibilities, organizational structure, funding, and performance.

2. Please provide an update on the L&C Program's vacancy rate, particularly for the HFEN classification, and efforts to improve vacancy rates.

3. Please provide an update on the most current timeliness metrics for investigation of complaints and entity-reported incidents.

Issue 13: Facilitating Projects to Benefit Nursing Home Residents – Federal Penalties Account

Budget Change Proposal and Trailer Bill Language – Governor's Budget. CDPH requests expenditure authority from the Federal Health Facilities Citation Penalties Account of $5 million in 2023-24, $5 million in 2024-25, and $3 million in 2025-26. If approved, these resources would support projects benefitting nursing home residents. CDPH also requests provisional budget bill language allowing for encumbrance and expenditure through June 30, 2027, and trailer bill language to eliminate the cap on funding for projects from the Federal Health Facilities Citation Penalties Account.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
0942 – Federal Health Facilities Citation Penalties Acct.	$5,000,000	$5,000,000
Total Funding Request:	**$5,000,000**	**$5,000,000**
Total Requested Positions:	**0.0**	**0.0**

* Additional fiscal year resource requested – 2025-26: $3,000,000.

Background. Federal regulations allow the federal Centers for Medicare and Medicaid Services (CMS) to impose monetary penalties against skilled nursing facilities (SNFs), nursing facilities (NFs), and dually certified facilities that are not in substantial compliance with one or more Medicare or Medicaid participation requirements. A portion of these penalties are returned to the states in which the penalties are imposed and states may reinvest these funds to support CMS-approved activities that improve the quality of life of nursing home residents. In California, federal penalties are deposited in the Federal Health Facilities Citation Penalties Account, which CDPH uses to support various CMS-approved projects.

CDPH's Center for Health Care Quality (CHCQ) has approved and implemented the following projects using funding from the Federal Health Facilities Citation Penalties Account:

2013-14
- A three-year contract with the California Culture Change Coalition to reduce antipsychotic medication in SNFs in California

2015-16
- A three-year contract with the California Association of Health Facilities for the Music and Memory program for improving dementia care.

2017-18
- A four-year contract with the California Association of Health Facilities for a project to improve dietary services in California nursing homes.

2018-19
- A three-year contract with the California Association of Health Facilities for a Volunteer Engagement project.
- A two-year contract with the Quality Care Health Foundation for the Certified Nursing Assistant (CNA) Training Kickstarter Project.

2019-20

- *Using AI-Enabled Cameras to Reduce Falls for Residents with Dementia*. A pilot project using the SafelyYou service which applies breakthroughs in artificial intelligence to automatically detect falls from off-the-shelf, wall-mounted cameras for residents with dementia.
- *Nurse Leadership*. Leadership training for registered nurses currently in leadership positions in California Long Term Care (LTC) Nursing Facilities as well as follow-up with personal mentoring for successful graduates.
- *California Wound Care Excellence Program for SNFs.* Provides scholarships for eligible nurses to complete an online wound care certification curriculum.
- *iNSPIRE*. Implementation of the It's Never Too Late (iN2L) program to participating skilled nursing communities to engage residents with cognitive decline (dementia), social isolation, and/or depression through technology-delivered activities.
- *A Person-Centered Approach to Reducing Transfer, Discharge, and Eviction.* Development and delivery of training focused on a person-centered approach and engaging residents and families in collaborative strategies to reduce discharge and eviction complaints.

2020-21

- *University of California Irvine Infection Prevention.* Provides participating nursing homes with onsite trainings and assistance to adopt evidence-based guidelines on infection control.
- *SNF Clinic*. Provides participating skilled nursing facilities an electronic learning management system of comprehensive, accurate, and cost-effective tools to ensure that facilities are providing high quality care to their residents.
- *LifeBio*. Interviews nursing home residents and compile each resident's details into life Story Books, Snapshots, and Action Plans to introduce nursing homes to person-centered care values to build stronger personal connections between residents and direct care staff.
- *Pilgrim Place-Make it Home.* Trains facility staff on creating and implementing a person-centered care model to build relationships with residents and promote quality end-of-life care.
- *Memory Care Buddies.* Development and pilot of a visitor's program in which volunteers receive ongoing support and training and visit regularly with nursing home residents diagnosed with dementia and impaired memory loss.
- *In-Person Visitation Grants*
- *Communicative Technology Grants*

2021-22

- *LeadingAge CA's The Java Project.* Implements a suite of social and emotional support programs aiming to decrease social isolation and loneliness in nursing and skilled nursing homes caused by COVID-19.
- *LITA Memory Care Buddies.* Development and pilot of a visitor's program in which volunteers receive ongoing support and training and visit regularly with nursing home residents diagnosed with dementia and impaired memory loss.

- *LifeBridge*. A full interdisciplinary program utilizing concepts of person-centered care based on individualized care and centered around coping mechanisms to better approach residents with behavioral outbursts and other challenging behaviors.

2022-23

- *Enlightenment/ Obie.* Work with EyeClick to work with SNF communities to install and implement an Obie mobile cart and software. Mobile carts will be located in an activity room, rehabilitation room, or common space within each SNF.
- *Creativity Never Gets Old*. Develop processes and communication plan to implement Creative Spark's 6-week training in five (5) SNFs. Promote Creative Spark's 6-week training and deliver training to activity and wellness staff at all participating SNFs.
- *Improving Resident Engagement through use of Linked Senior Install Linked Senior software onto Barton facility iPads*. Develop, document, and provide Barton activity staff training on how to use the software. Meet with each current Barton resident and their care partners to best structure their Life Story pages. Barton activity staff will develop Life Story pages for each resident.
- *GARDEN Project (Garden Access Responds to Diagnosis & Environmental Needs).* Provide and install gardens to SNFs and provide program training to SNFs.
- *SPARKing Creativity, Joy, and Arts Engagement*. Build and ship 15,609 SPARK Boxes to residents in 151 Civil Money Penalty grant participant communities. Provide 96 online arts workshops to 151 Civil Money Penalty grant program participating communities. Workshops will occur twice per week throughout the objective's timeline.

Resource Request. CDPH requests expenditure authority from the Federal Health Facilities Citation Penalties Account of $5 million in 2023-24, $5 million in 2024-25, and $3 million in 2025-26 to support projects benefitting nursing home residents. CDPH anticipates a continuing significant number of applications for these projects, with previously approved funding expiring in 2023-24. CDPH also requests provisional budget bill language allowing for encumbrance and expenditure of these funds through June 30, 2027.

Trailer Bill Language Proposal. CDPH also requests trailer bill language to eliminate the cap on funding for projects from the Federal Health Facilities Citation Penalties Account. Currently, CDPH may award projects up to $130,000 from the account. This trailer bill language proposal would eliminate that cap on award amounts.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

2. Please provide the rationale for removing the cap on award amounts in the Federal Health Facilities Citation Penalties Account.

Issue 14: SNFs Change of Ownership and Change of Management Application (AB 1502)

Budget Change Proposal – Governor's Budget. CDPH requests expenditure authority from the Licensing and Certification Fund of $286,000 annually for three years. If approved, these resources would support implementation of new licensing requirements following changes in ownership or management of skilled nursing facilities, pursuant to AB 1502 (Muratsuchi), Chapter 578, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
3098 – Licensing and Certification Fund	$286,000	$286,000
Total Funding Request:	**$286,000**	**$286,000**
Total Requested Positions:	**0.0**	**0.0**

* Additional fiscal year resources requested – 2025-26: $286,000.

Background. AB 1502 (Muratsuchi), Chapter 578, Statutes of 2022, revises the licensing requirements for skilled nursing facilities when a facility's ownership or management changes. Prior to AB 1502, when an existing licensed skilled nursing facility was sold to another individual or entity, that individual or entity was able to continue to operate the facility while applying for a licensing with CDPH. Additionally, while CDPH approval was required when five percent or more of an ownership interest in a skilled nursing facility changes, certain corporate arrangements allowed facility ownership or management to change hands without triggering the need for CDPH approval.

AB 1502 requires CDPH approval before any change of ownership, operations, or management including, but not limited to, the following:

- A transaction by a person, firm, association, organization, partnership, business trust, corporation, limited liability company, or company that enables them to operate, establish, manage, conduct, or maintain a SNF in California, for which a license is required by Health and Safety Code (HSC) §1253 or other state laws and regulations.
- The transfer, purchase, or sale of an ownership interest of 5 percent or more in the either the SNF or its licensee.
- The sale or transfer of the entity licensed by CDPH.
- The lease of all or part of a SNF.
- A transfer of any type of ownership interest, including an indirect one such as one a parent company acquires.
- A transaction described in HSC Section 1267.5 (e.g., contracting for the SNF to be operated, in whole or part under a management contract).
- Establishment of an interim or longer-term management agreement transferring operational control or management responsibilities from the SNF owner or licensee to a new entity.
- Establishment of any type of agreement with a management company hired, retained, or authorized to act on behalf of a licensee to make financial decisions for the SNF, direct or control aspects of patient care and quality within the SNF, or be involved in the hiring, firing, supervision, and direction of direct care staff.

- Any transaction, if a SNF licensee is part of a chain that changes ownership interests or management responsibilities throughout all SNFs in the chain, while not limiting those transactions to chain facilities located only within California.

According to CDPH, AB 1502 would require CDPH to do the following:

- Requires CDPH approval before a Change of Ownership (CHOW) or Change of Manager (CHOM) occurs and that the applicant submit a complete application to CDPH at least 120 days before the transaction will occur.
- Expands the application contents to include all persons or entities acquiring a direct or indirect ownership interest in the SNF, including the applicant's parent corporation or corporate chain.
- Directs CDPH to determine whether the applicant is reputable and responsible, as evidenced by, among other things, the applicant's long-term care experience and compliance history for the prior five years and its financial resources.
- Requires CDPH to approve or deny the application within 120 days of receipt of the complete application, with expedited review allowed under limited circumstances.
- Provides grounds for application denial, applicant disqualification, and new civil penalties. The bill requires the current and prospective licensees to provide certain notices to CDPH.
- Applies to applications submitted to CDPH on or after July 1, 2023.

Resource Request. CDPH requests expenditure authority from the Licensing and Certification Fund of $286,000 annually for three years to support implementation of new licensing requirements following changes in ownership or management of skilled nursing facilities, pursuant to AB 1502 (Muratsuchi), Chapter 578, Statutes of 2022. Specifically, these resources would allow CDPH to conduct additional review for both CHOW and CHOM applications, beginning July 1, 2023.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 15: Hospice Facility Licensure and Oversight (AB 2673)

Budget Change Proposal – Governor's Budget. CDPH requests three positions and expenditure authority from the Licensing and Certification Fund of $926,000 in 2023-24, $759,000 in 2024-25, $698,000 in 2025-26, and $615,000 annually thereafter. If approved, these positions and resources would support implementation of hospice facilities licensing requirements, pursuant to AB 2673 (Irwin), Chapter 797, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
3098 – Licensing and Certification Fund	$926,000	$759,000
Total Funding Request:	**$926,000**	**$759,000**
Total Requested Positions:	**3.0**	**3.0**

* Additional fiscal year resources requested – 2025-26: $698,000, 2026-27 and ongoing: $615,000.

Background. SB 664 (Allen), Chapter 494, Statutes of 2021, imposed a moratorium on new hospice licenses until one year from the date the California State Auditor published a report on hospice licensure. On March 29, 2022, the California State Auditor released Report 2021-123, which found multiple indicators of fraud and abuse, particularly in Los Angeles County. The audit contains numerous findings and recommendations, including that growth in the number of hospice agencies in Los Angeles County has vastly outpaced the need for hospice services, and recent growth is almost exclusively in for-profit companies. The audit found numerous indicators suggesting that many of these hospice agencies may have been created to fraudulently bill Medicare and Medi-Cal for services rendered to ineligible patients or services not provided at all. There are areas within Los Angeles County with extremely high concentrations of hospice agencies, including individual buildings supposedly housing dozens of hospice agencies. CDPH reported a single building in the community of Van Nuys as having more than 150 licensed hospice and home health agencies, a number that exceeds the structure's apparent physical capacity. In 2019, Los Angeles County had more than six times the national average number of hospice agencies relative to its aged population. Los Angeles County hospice agencies have unusually long durations of patient care and high rates of patients being discharged alive. Given that hospice patients are by definition in the last stages of their life, these trends indicate that at least some hospice agencies are enrolling patients who are not eligible for hospice services because they are not actually suffering from terminal illnesses; at the same time, those patients may experience being deprived of the curative care that they need. Auditors also found cases where hospice agencies appear to be using the names of medical professionals without their knowledge or consent, thereby obtaining hospice licenses under false pretenses.

AB 2673 (Irwin), Chapter 797, Statutes of 2022, extends the moratorium on hospice licensure and increases CDPH's regulatory oversight over hospices, as follows:

- Prohibits CDPH from approving Change of Ownership Applications (CHOW) of a licensed hospice agency within five years of license issuance, unless CDPH makes an exception for extenuating circumstances upon finding a transfer necessary to ensure continuity of care or that there is both a financial hardship and an unmet geographic need of hospice services.
- Requires a hospice agency to have specified management personnel and to submit information for them to CDPH for use in mandated and optional verification activities.

- Requires a hospice agency license applicant to demonstrate unmet need of hospice services in the proposed service area, and it permits exceptions for CHOW applicants if the license has been continually held by the previous licensee for five years and the hospice agency has either previously demonstrated unmet need or can demonstrate it is currently meeting a need for hospice services.
- Requires CDPH to annually survey a selective sample of five percent of hospice agencies whose initial licensure via accreditation occurred in the previous year.
- Requires CDPH to adopt emergency regulations with specified components to implement recommendations in the California State Auditor's Report 2021-123, on hospice licensure and oversight by January 1, 2024, and to maintain the new hospice agency licensure moratorium until adoption, but no later than March 29, 2024. Hospice facilities are exempt from the moratorium.
- Establishes a complaint process for hospice agencies and requirements for CDPH's investigations.
- Expands the reasons why CDPH may deny, suspend, or revoke a hospice agency.
- Requires CDPH to verify the professional licensure status for management personnel, and permits CDPH to verify their work history and association with the hospice agency by contacting the personnel or previous employers by telephone.
- Establishes moratorium exception criteria requiring the applicant to prove unmet need in their geographic area as a permanent requirement for hospice agency licensure and permits CDPH to make exceptions for CHOWs that will allow for continuing service provision by hospice agencies that have historically met a geographic need.

Staffing and Resource Request. CDPH requests three positions and expenditure authority from the Licensing and Certification Fund of $926,000 in 2023-24, $759,000 in 2024-25, $698,000 in 2025-26, and $615,000 annually thereafter to support implementation of hospice facilities licensing requirements, pursuant to AB 2673 (Irwin), Chapter 797, Statutes of 2022. Specifically, CDPH requests the following positions and resources:

- **Two Associate Governmental Program Analysts (AGPAs)**, established administratively, would support reviewing the qualifications of management staff for new hospice agencies seeking initial licensure. CDPH estimates an average of 0.5 hours per individual, for 3,061 currently licensed hospice agencies would generate an additional 7,653 hours of workload, which is equivalent to 4.25 AGPAs. However, CDPH estimates the workload of 2.25 of these AGPAs is absorbable within existing resources.
- **Three Health Facilities Evaluator Nurses** would support investigation of complaints against hospice agencies alleging violations of state law or regulations. CDPH reports between 2016 and 2020, it received an average of 229 complaints annually for hospice agencies. In 2021, 313 complaints were filed, reflecting a 37 percent increase over the preceding five year average.
- **One AGPA**, established administratively, would support adoption of emergency regulations to implement the recommendations of the audit no later than March 29, 2024.

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 16: Gender Affirming Health Care (SB 107)

Budget Change Proposal – Governor's Budget. CDPH requests expenditure authority from the Licensing and Certification Fund of $321,000 annually for three years. If approved, these resources would expand protections for a child receiving gender-affirming health care under the Confidentiality of Medical Information Act (CMIA), pursuant to SB 107 (Wiener), Chapter 810, Statutes of 2022.

Program Funding Request Summary		
Fund Source	**2023-24**	**2024-25***
3098 – Licensing and Certification Fund	$321,000	$321,000
Total Funding Request:	**$321,000**	**$321,000**
Total Requested Positions:	**0.0**	**0.0**

* Additional fiscal year resources requested – 2025-26: $321,000.

Background. SB 107 (Wiener), Chapter 810, Statutes of 2022, expands the Confidentiality of Medical Information Act (CMIA) by adding additional protections for medical information related to a child receiving gender-affirming health care. SB 107 modifies an exception to existing law permitting the release of medical information in response to a subpoena and prohibits providers of health care, health care service plans, or contractors from releasing medical information related to minors receiving gender-affirming health care even in response to a subpoena or other legal request, if that request is based on another state's law authorizing civil or criminal actions for allowing a child to receive gender-affirming health care.

Under CMIA, providers of health care, health care service plans, or contractors are prohibited from sharing medical information without the patient's written authorization, subject to certain exceptions. Health care facilities licensed by CDPH, including hospitals, are required to prevent unlawful or unauthorized access to, and use or disclosure of, patients' medical information. CDPH is responsible for enforcement of unlawful disclosure requirements in health facilities and entities licensed by CDPH, in addition to any violations of the CMIA. CDPH investigates incidents both reported by facilities in compliance with current reporting requirements and received via complaint. If a breach is found to have occurred, these investigations may result in either a deficiency or administrative penalty being issued to a facility. Prior to SB 107, disclosure of medical information pursuant to a valid subpoena or with authorization from the patient or patient representative regarding a minor's gender-affirming health care would not be considered a breach. However, releasing medical records in violation of SB 107's requirements, would constitute an unlawful disclosure of medical information. Therefore, such a release would be enforceable as a breach of medical information. CDPH notes that, because its jurisdiction is limited to only health care facilities it licenses, a violation outside of the scope of those licensing statutes will be beyond CDPH's enforcement jurisdiction.

Resource Request. CDPH requests expenditure authority from the Licensing and Certification Fund of $321,000 annually for three years to expand protections for a child receiving gender-affirming health care under the Confidentiality of Medical Information Act (CMIA), pursuant to SB 107 (Wiener), Chapter 810, Statutes of 2022. Specifically, these resources would support limited term staff to manage an increase in complaint workload for breaches related to information protected under SB 107. CDPH expects complaints to increase by up to five percent, resulting in 75 new complaints annually, and would require limited term resources equivalent to **two Special Investigators.**

Subcommittee Staff Comment and Recommendation—Hold Open. Subcommittee staff recommends holding this item open to allow continued discussions in advance of the May Revision.

Questions. The subcommittee has requested CDPH to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 17: Proposals for Investment

Proposals for Investment. The subcommittee has received the following proposals for investment:

- *Overdose Prevention and Treatment Navigation.* The End the Epidemics Coalition, National Harm Reduction Coalition, Drug Policy Alliance, and AIDS Project Los Angeles request expenditure authority from the Opioid Settlement Fund of $61 million, available over four years, to support harm reduction programs for staff and costs related to delivery of naloxone, fentanyl test strips, overdose prevention and response training, and drug treatment provision and navigation. This proposal builds on a successful pilot and is urgently needed for implementation of the Governor's January budget proposal and to support programs and services prioritized by the Legislature.

- *California Firefighter Cancer Prevention and Research Program.* The California Professional Firefighters request General Fund expenditure authority of $20 million in 2023-24 to support research on exposures and biological mechanisms that cause elevated incidence of cancer among firefighters. In order to reduce the incidence of cancer in the fire service, research is needed to elucidate the biological mechanisms associated with exposure to carcinogenic agents in the fire service. This includes studying biomarkers of exposure which quantify chemical carcinogens absorbed and metabolized by firefighters, and studying bio-markers of effect which quantify cancer promoting cellular changes that ultimately lead to a cancer diagnosis. Quantifying biomarkers of exposure is key to developing data driven interventions designed to reduce toxic exposures and examining the associated bio-markers of effect is essential to developing cancer risk factor assessments designed to reduce the incidence of cancer and improve treatment out-comes. Without such research, California's fire fighters will continue to face an elevated incidence of cancer associated with the performance of their duties.

- *California Cancer Registry.* The American Cancer Society Cancer Action Network, the Public Health Institute, and the University of Southern California request General Fund expenditure authority of $6.2 million in 2023-24, $6.3 million in 2024-25 and $6.5 million annually thereafter, to restore funding for the California Cancer Registry (CCR) threatened by Proposition 99 revenue reductions. State support for CCR consists of two sources of funds: 1) the state's tobacco tax (Proposition 99), and 2) the CDC's National Program of Cancer Registries (NPCR) funds given to each state. The state has the discretion to decide how much to allocate to each regional registry. In 2022, CDPH issued new 3-year state grants to the three regional registries that are scheduled to run through to 2025. The grants were flat funded at the same level as prior years with no adjustments to account of increased costs of data collection. CDPH has confirmed that the allocation of Proposition 99 revenues to the Breast Cancer Fund that funds the CCR is forecasted to have a shortfall of $750,000 in 2023-24, of which nearly all will be directed towards the CCR. This $750,000 cut proposed represents 10 percent of the CCR's total state funding. There are currently no plans by the state to offset the funding reduction for CCR from other sources. The funding cuts in 2023-24 come on top of prior funding reductions that have resulted in flat funding for the state grants to the three designated regional registries for 10 years. In 2023-24 flat funding for the regional registry grants represents a cut in real terms equal to $1,556,844.50 with further impacts each year thereafter. In addition, the CCR has faced increased workload resulting from the implementation of AB 2325 (Bonilla, Statutes of 2016) which required all pathology labs in the state to electronically submit pathology reports of cancer cases to CCR. The legislation required new data items to be collected and increased salary pressures to keep up with the

labor market for the specialized registry workforce. Current funding for CCR does not provide sufficient resources for administrative, technical, and IT areas to onboard pathology labs and providing training for reporting protocol required by AB 2325. This results in incomplete reporting and compromised registry processes threatening the overall registry data timeliness and completeness.

- *Health Equity and Racial Justice Fund.* A coalition of 13 public health organizations requests General Fund expenditure authority of $25 million in 2023-24 and $25 million in 2024-25 to support the Health Equity and Racial Justice Fund, which would support projects proposed by nonprofit organizations, clinics, and tribal organizations that serve disproportionately impacted communities of color and the low income, to address the social determinants of physical health and behavioral health and reduce the unequal burden of the leading causes of death and illness, in children and in adults, would be eligible. This request would establish the fund, which can receive future appropriations. It requests funding for an initial pilot. Pilot projects of the Health Equity Fund will focus on addressing food security and healthy food systems; health education (including vaccine hesitancy); community violence, including gender-based violence, intimate partner violence, and hate crimes; youth criminal justice; and environmental justice. Projects that receive investments in the Racial Justice Innovation Program must have a direct intended impact on racial equity or racial justice. Projects should seek to transform the behaviors, institutions, and systems that disproportionately harm historically marginalized communities and create barriers to opportunity, in order to empower communities of color to thrive and reach their full potential. Projects may:

    - Advance racial equity through research
    - Build community infrastructure for community engagement within governmental institutions, including engagement on allocation of community resources
    - Evaluate community needs as it relates to racial equity and racial justice
    - Provide community based organization led equity, inclusion, and cultural competency trainings for health and other service providers, provider groups, heath plans, clinics, local health departments, municipal, and county governments

- *Sickle Cell Disease Network Transitional Funding.* The Center for Inherited Blood Disorders and the Sickle Cell Disease Foundation request General Fund expenditure authority of $11 million in 2023-24, available until June 30, 2026, to support bridge funding for the following:

    - Ensure ongoing access to medical care and provide improved outcomes for adults with Sickle Cell Disease who otherwise would have no ongoing access to medical care.
    - Reduce cost impacts to Medi-Cal in the short and long-term by an estimated $50 million annually.
    - Reverse decades of neglect toward adults with Sickle Cell Disease and improve mortality and morbidity rates.
    - Sustain the expanded the healthcare workforce that enables strong collaboration with community healthcare workers and patient advocates, and ongoing surveillance to document the burden of Sickle Cell Disease.
    - Demonstrate the effectiveness of the Enhanced Care Management model envisioned by CalAIM through the work that Networking California for Sickle Cell Care has implemented over the last three years, especially for children transitioning out of pediatric care.