
Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 3

Agenda

Senator Susan Talamantes Eggman, Ph.D., Chair
Senator Melissa Melendez
Senator Richard Pan, M.D.



Thursday, April 28, 2022
9:30 am, or upon adjournment of session
Room 112, State Capitol

Consultants: Scott Oguis and Renita Polk, Ph.D.

| <u>Item</u> | <u>Department</u> | <u>Page</u> |
|--|-------------------|-------------|
| 0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY OFFICE OF YOUTH AND COMMUNITY RESTORATION..... | | 3 |
| Issue 1: Office of Youth and Community Restoration and the Division of Juvenile Justice Realignment | | 3 |
| 0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY..... | | 6 |
| Issue 1: Equity Implementation | | 6 |
| Issue 2: Office of Resilience and Response..... | | 8 |
| Issue 3: Agency Information Officer and Office of Systems Integration – Enterprise Capabilities | | 10 |
| Issue 4: April Finance Letter – Technical Adjustments..... | | 13 |
| 5160 DEPARTMENT OF REHABILITATION (DOR) | | 14 |
| Issue 1: Disability Innovation Fund – Pathways to Success Program | | 14 |
| Issue 2: Opioid Settlements Fund – Integrating Employment in Recovery Program..... | | 16 |
| 4120 EMERGENCY MEDICAL SERVICES AUTHORITY | | 18 |
| Issue 1: California Emergency Medical Services Data Resource System Funding Reappropriation..... | | 18 |
| Issue 2: Increased Resources for Information Technology Mission Efficiency | | 19 |
| Issue 3: Multicounty Local Emergency Medical Services Agency Funding Increase | | 20 |
| 4150 DEPARTMENT OF MANAGED HEALTH CARE..... | | 22 |
| Issue 1: Administrative Support Services | | 22 |
| Issue 2: Health Plans and Health Insurance: Third-Party Payment (AB 290)..... | | 24 |

| | |
|---|-----------|
| 4440 DEPARTMENT OF STATE HOSPITALS..... | 26 |
| Issue 1: Pharmacy Modernization – Phase 3 | 26 |

| | |
|--|-----------|
| 4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION..... | 28 |
| Issue 1: Mental Health Student Services Act Partnership Grant Program Position Authority | 28 |

PUBLIC COMMENT

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling (916) 651-1505. Requests should be made one week in advance whenever possible.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY OFFICE OF YOUTH AND COMMUNITY RESTORATION**Issue 1: Office of Youth and Community Restoration and the Division of Juvenile Justice Realignment**

In addition to Judge Katherine Lucero, Director, Office of Youth and Community Restoration, the Subcommittee has requested Dr. Heather Bowlds, Director, Division of Juvenile Justice, and Kathleen Howard, Executive Director, Board of State and Community Corrections, to participate in this discussion.

Budget Issue. The Governor's 2022-23 proposed budget includes \$100 million one-time General Fund for the Board of State and Community Corrections (BSCC) to administer the County Operated Juvenile Facility Grant Program. The funding would help counties repair youth facilities and/or enhance their ability to provide rehabilitation programs and services for realigned youths, including youths who will be assigned to secure youth treatment facilities. The Office of Youth and Community Restoration (OYCR) is mandated to concur with the BSCC on any juvenile grants and to assume administration of these grants by July 1, 2025.

Background. Youths accused of a crime that occurred before they turn 18 years of age start in juvenile courts. If the court determines the youth committed the crime, it then determines where to place the youth based on statute, input from defense and prosecution, and factors such as the youth's offense and criminal history. Depending on the circumstances of the case, the juvenile court currently can take several possible actions including placing the youth under county supervision or in the state Division of Juvenile Justice (DJJ). In addition, the court may choose to transfer certain youths' cases to adult court if a transfer request is filed with the court in cases where youths have committed very serious crimes.

Youths placed under county supervision are typically allowed to remain with their families with some level of supervision from county probation officers. However, some youths—typically those who have committed more serious crimes—are housed in county juvenile facilities, such as juvenile halls or camps. As of September 2021, roughly 2,300 youths were being housed in county facilities. Since July 1, 2021, to be eligible for placement in DJJ, youths must (1) have committed certain significant crimes listed in statute (such as murder, robbery, and certain sex offenses) and (2) have had a transfer request filed in their cases. However, such placements may not occur after June 30, 2023, the date by which current law requires DJJ to close. As of December 2021, there were about 660 youths housed in DJJ.

Senate Bill 81 (Committee on Budget and Fiscal Review), Chapter 157, Statutes of 2007, restricted the type of youths that juvenile courts can place in DJJ to only those who committed certain significant crimes listed in the statute. To help counties manage these new responsibilities, the state currently provides over \$200 million annually to counties for costs associated with supervising youths that might otherwise have been placed in DJJ. SB 81 also provided counties with \$100 million in lease-revenue funding on a one-time basis to construct or renovate juvenile facilities. This amount was later increased to \$300 million.

DJJ Realignment. Youth housed in DJJ facilities largely did not have access to the types of rehabilitative programming and community connections that are necessary for a humane and successful juvenile justice system. First, the location of DJJ facilities means that many youth offenders are moved far from home,

making it difficult to maintain ties with their families and communities. Second, DJJ facilities were notorious for violence and had high recidivism rates. Overall, the facilities operated more like adult prisons than as spaces where young offenders could develop and prepare for adult life outside the criminal justice system. Realignment is intended to move juvenile justice in California toward a rehabilitative, trauma-informed, and developmentally appropriate system.

Senate Bill 823 (Committee on Budget and Fiscal Review), Chapter 337, Statutes of 2020, “realigned” or shifted the responsibility of DJJ for most juvenile offenders from the state to the counties. Beginning July 1, 2021, youths can only be placed in DJJ under certain circumstances, as described above. To assist counties with their increased responsibility, the state provides funding to counties—in addition to the funding provided from SB 81—which is estimated to be \$122 million in 2022-23 growing to over \$200 million annually by 2024-25. SB 823 also provided counties with \$9.6 million in one-time grant funding for planning and juvenile facility infrastructure needs. Senate Bill 92 (Committee on Budget and Fiscal Review), Chapter 18, Statutes of 2021, requires DJJ facilities to close by June 30, 2023. Youths still housed in DJJ will be transferred to county jurisdiction. In addition, SB 92 allows counties to establish secure treatment facilities as standalone facilities or units within existing facilities.

Office of Youth and Community Restoration (OYCR). To support counties in this transition, the realignment plan included the creation of the OYCR to provide statewide assistance, coordination, and oversight. This new office is under the Health and Human Services Agency (HHS) rather than under CDCR or BSCC, reflecting the shift away from corrections toward services and treatment. The mission of the Office, as defined in statute is, “[T]o promote trauma responsive, culturally informed services for youth involved in the juvenile justice system that support the youths’ successful transition into adulthood and help them become responsible, thriving, and engaged members of their communities.”

Mandates of the OYCR include:

- Identify policy recommendations for improved outcomes for court-involved youth
- Identify and disseminate best practices to inform rehabilitative and restorative youth practices
- Provide technical assistance to develop and expand local youth diversion opportunities
- Evaluate the efficacy of local programs being utilized for realigned youth and report to the Governor and Legislature by July 1, 2025.
- Develop a report on youth outcomes in the juvenile justice system based on the updated JCPSS (DOJ) System
- Provide an ombudsperson to investigate complaints and resolve where possible and report regularly to the Legislature
- Concur with the Board of State and Community Corrections on any juvenile grants
- Assume administration of juvenile grants no later than January 1, 2025

- Concur with the BSCC on new standards for secure youth treatment facilities

County Realignment Plans. The Juvenile Justice Realignment Block Grant program was designed to provide funding to counties to support youth returned to those counties. To be eligible for such funds, counties must convene a subcommittee of the multiagency juvenile justice coordinating council chaired by the chief probation officer and including representatives from the district attorney, public defender, department of social services, department of mental health, the county office of education or school district, and the court, along with at least three community members. The subcommittee must then develop a plan for juvenile justice realignment within the county. The OYCR is responsible for reviewing these plans and is currently in the process of reviewing them. To be eligible for the funds, a county must develop a plan that includes information on how counties will provide trauma-informed, culturally responsive, and developmentally appropriate programs and a description of data collection and outcome measures, among other topics detailed in statute (Welfare and Institutions Code Section 1995(c)). As of March 8, 2022, all counties had submitted their initial plans and the OYCR was in the process of meeting with each county to discuss their plans and request any needed revisions to the plan. At that time the office anticipated all requests for revisions would be provided to counties by the end of March 2022.

Staff Comment and Recommendation. Informational item. No action is needed.

Questions. The Subcommittee requests OYCR respond to the following:

1. Has the Office seen any common areas of concern in its review of county realignment plans? Are there areas where counties will need additional technical assistance or corrections in the first quarter?
2. How does the Office intend to work with counties to address any areas where additional support is needed?
3. Some concerns have been raised that smaller counties may not have all the immediate resources required to accommodate these youth. Please describe the regional approach that some counties are taking to address these concerns. How is the Office working with counties to help build regional connections?
4. Has the Office requested revisions to the counties' submitted plans yet? If so, when does the department expect to have all the revised plans?
5. Do the county plans reflect new models of care for longer-term placements or are the counties primarily focusing on housing youth in juvenile halls?

The Subcommittee requests OYCR and BSCC respond to the following:

6. How will the OYCR and the BSCC collaborate to review the juvenile facilities grants proposed for funding in the 2022-23 budget?

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY**Issue 1: Equity Implementation**

Budget Change Proposal – April Finance Letter. CalHHS requests General Fund expenditure authority of \$500,000 in 2022-23. If approved, these resources would allow CalHHS to coordinate and support the development of an Equity Strategic Plan to reduce health inequities and disparities in CalHHS programs.

| Program Funding Request Summary | | |
|--|------------------|----------------|
| Fund Source | 2022-23 | 2023-24 |
| 0001 – General Fund | \$500,000 | \$- |
| Total Funding Request: | \$500,000 | \$- |
| Total Requested Positions: | 0.0 | 0.0 |

Background. The 2021 Budget Act included positions and resources for several CalHHS initiatives to improve health equity among its departments and offices. These initiatives included the following:

- *Equity Dashboard.* The Legislature authorized three positions and General Fund expenditure authority of \$3.2 million in 2021-22 and \$1.1 million annually thereafter for CalHHS; and five positions and expenditure authority of \$967,000 (\$484,000 General Fund and \$483,000 federal funds) in 2021-22 and \$922,000 (\$461,000 General Fund and \$461,000 federal funds) annually thereafter for DHCS, to develop and release an equity dashboard to better understand disparities among programs and services in health and human services departments and entities. The dashboard will be part of CalHHS's Open Data Portal and will identify data gaps by race, ethnicity, sexual orientation, and gender identity.
- *Language Access.* The Legislature authorized General Fund expenditure authority of \$307,000 in 2021-22 and 2022-23 to develop and implement an agency-wide language access policy and protocol framework that considers legal compliance; operational aspects of translation and interpretation; bilingual staff testing, classification, and related human resources requirements; and engagement with community stakeholders and partners. In addition, the Legislature authorized General Fund expenditure authority of \$20 million, available until June 30, 2024, for activities to improve and deliver language access services in health and human services program, consistent with the language access framework.
- *Post-COVID-19 Equity Analysis.* The Legislature authorized one position and General Fund expenditure authority of \$1.7 million in 2021-22 and \$154,000 annually thereafter to conduct a retrospective analysis of the intersection of the COVID-19 pandemic and health disparities and inequities.
- *Workforce Equity Training.* The Legislature authorized General Fund expenditure authority of \$2.5 million in 2021-22 and 2022-23 to expand training opportunities in health and human services departments and other entities to identify and eliminate barriers to an inclusive, just and sustainable society. Staff will receive racial equity training to ensure state programs and services are respectful and mindful of the communities being served.

CalHHS also reports having implemented the following Administration initiatives to support equity:

- *Chief Equity Officers.* CalHHS has identified a Chief Equity Officer for each of its twelve departments and five offices.
- *JEDI Subcommittee.* CalHHS has established a Justice, Equity, Diversity, and Inclusion (JEDI) subcommittee within its Interdepartmental Advisory Council.
- *Agency Chief Equity Officer.* CalHHS is in the process of hiring an Agency Chief Equity Officer, to work across departments to organize, implement, and galvanize an aggressive equity agenda.
- *Departmental Efforts.* Various CalHHS departments have implemented equity initiatives, including: 1) a Quality and Population Health Management program at DHCS, 2) an internal Equity Framework and Action Plan at DSS, 3) adding an Advancing Community Equity Branch to the Office of Health Equity at DPH, 4) equity-centered reporting on adverse childhood experiences at the Office of Surgeon General, and 5) an Equity in Aging Advisory Committee established at the Department of Aging.

According to CalHHS, a survey of departmental Chief Equity Officers by the co-chairs of the JEDI subcommittee revealed a need for an Agency-wide strategic planning process around equity to develop common definitions and understanding, as well as strategic goals and objectives. While CalHHS and departmental leaders have shared perspectives and equity priorities via informal interviews, CalHHS reports these exploratory efforts demonstrated a need for contract resources to support the formal development of a CalHHS Equity Strategic Plan. This plan would help catalyze and align the CalHHS equity agenda.

Resource Request. CalHHS requests General Fund expenditure authority of \$500,000 in 2022-23 to coordinate and support the development of a CalHHS Equity Strategic Plan to reduce health inequities and disparities in CalHHS programs. Specifically, these resources would support a contractor that would coordinate a stakeholder-driven, strategic planning process to develop a common understanding of barriers to equity across CalHHS departments and offices. This planning process would last two years and would result in a CalHHS Equity Strategic Plan with documented strategic goals and objectives, and an organizational commitment to equity in policies, programs, and procedures.

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 CalHHS to respond to the following:

1. Please provide a brief overview of this proposal.
2. How would the Agency and departments/offices measure future progress toward achieving equity goals?

Issue 2: Office of Resilience and Response

Budget Change Proposal – April Finance Letter. CalHHS requests nine positions and General Fund expenditure authority of \$2.6 million in 2022-23, 2023-24, and 2024-25. If approved, these positions and resources would allow CalHHS to establish an Office of Resilience and Response to coordinate emergency management and natural disaster resilience functions across CalHHS departments and offices.

| Program Funding Request Summary | | |
|--|--------------------|--------------------|
| Fund Source | 2022-23 | 2023-24* |
| 0001 – General Fund | \$2,593,000 | \$2,593,000 |
| Total Funding Request: | \$2,593,000 | \$2,593,000 |
| Total Requested Positions: | 9.0 | 9.0 |

* Additional fiscal year resources requested: 2024-25: \$2,593,000

Background. According to CalHHS, its twelve departments and five offices have increasingly been called upon to respond to increased incidence of various disasters in California. A continuous disaster cycle has increased the level of complexity and responsibility for departments and offices to manage disaster response, recovery, and mitigation operations, often for multiple disasters or other emergencies simultaneously. CalHHS departments and offices coordinate with other state and local entities on sheltering, mass care, and delivery of health care services and other public benefits.

CalHHS believes the crosscutting coordination needed between its departments and offices is best served at the Agency level. An Agency level approach would break down silos and ensure state departments and offices are serving the whole needs of people, which is especially important during a disaster and the subsequent recovery.

Staffing and Resource Request. CalHHS requests nine positions and General Fund expenditure authority of \$2.6 million in 2022-23, 2023-24, and 2024-25 to establish an Office of Resilience and Response, which would coordinate emergency management and natural disaster resilience functions across CalHHS departments and offices. The office would be staffed with the following positions: 1) **one Career Executive Appointment (CEA)**; 2) **two Staff Services Manager III** positions; 3) **three Staff Services Manager II** positions; 4) **two Staff Services Manager I** positions; and 5) **one Information Technology Specialist II** position. According to CalHHS, the five objectives of the office and the timing of implementation of its objectives are as follows:

Preparedness. Within 120 days of establishing the office, staff would perform a threat and risk assessment for each department and office, by hazard. Within 240 days, staff would understand each department's and office's capacity to respond to each hazard in a comprehensive, time effective manner. Within one year, staff would create inter-departmental training, exercising, and continuity programs.

Response. Within six months of establishing the office, staff would provide a coordinated, interdepartmental response framework to lead departments and offices through multiple, simultaneous, and complex events. Within one year, staff would create interdepartmental processes to codify operations for all hazards and events. Staff would also continue to support maintenance and enhancements of the CalHHS All Hazards Dashboard, which quickly identifies the impacts of emergency and hazardous events

on communities by establishing a single reference point for situational awareness and cross-departmental coordination.

Recovery. The office would also aggressively seek federal programmatic and financial resources made available to states and communities for recovery. Within six months of establishing the office, staff would perform a comprehensive review of cost recovery procedures, efficiencies and inefficiencies by department and office. Within one year, staff would understand capacity gaps for creating an efficient interdepartmental cost recovery model. On an ongoing basis, staff would manage interdepartmental fiscal and programmatic recovery after each disaster or emergency.

Mitigation/Resilience. Within one year of establishing the office, staff would create an interdepartmental mitigation program to ensure all departments and offices are hardening infrastructure and programs through one-year, five-year, and ten-year objectives for resilience.

Special Projects. Within six months of establishing the office, staff would develop a CalHHS Continuity Plan. Within one year, staff would develop an Agency-wide Climate Change and Health Action Plan. Staff would undertake new special projects as needed, based on changing disaster profiles and changes to CalHHS programs.

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 CalHHS to respond to the following:

1. Please provide a brief overview of this proposal.

| |
|--|
| Issue 3: Agency Information Officer and Office of Systems Integration – Enterprise Capabilities |
|--|

Budget Change Proposal – April Finance Letter. The CalHHS Office of Systems Integration (OSI) requests eight positions and General Fund expenditure authority of \$2.9 million in 2022-23 and \$2.5 million annually thereafter. If approved, these positions and resources would allow OSI to realign resources and enhance enterprise-wide capabilities across CalHHS and to improve project delivery outcomes and technical service capabilities.

| Program Funding Request Summary (CalHHS-OSI) | | |
|---|--------------------|--------------------|
| Fund Source | 2022-23 | 2023-24* |
| 0001 – General Fund | \$2,889,000 | \$2,489,000 |
| Total Funding Request: | \$2,889,000 | \$2,489,000 |
| Total Requested Positions: | 8.0 | 8.0 |

* Positions and resources ongoing after 2023-24.

Background. The CalHHS Office of Systems Integration (OSI) procures, manages, and delivers technology systems that support the delivery of health and human services to Californians. OSI manages a portfolio of large, complex information technology (IT) projects, providing project management, oversight, procurement, and support services for these projects and coordinating communication, collaboration, and decision-making among project stakeholders and program sponsors. After the procurement phase, OSI oversees the design, development, governance, and implementation of IT systems that support the administration of health and human services programs in California. OSI currently manages the following projects:

- California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS)
- Case Management, Information and Payrolling System II (CMIPS II)
- Child Welfare System/Case Management System (CWS/CMS)
- Child Welfare System-California Automated Response and Engagement System (CWSCARES)
- Electronic Benefit Transfer (EBT)
- Electronic Visit and Verification (EVV) Phase 2
- Statewide Automated Welfare System (SAWS)
- Welfare Data Tracking Implementation Project (WDTIP)

The Office of the Agency Information Officer (OAIO) supports efforts by CalHHS departments and offices to enhance programs through successful delivery of data and technology solutions. Through Portfolio Support, Enterprise Architecture, Information Security, Agency Governance and Horizontal Integration activities, the OAIO provides both operational and strategic services to increase the probability of successful projects while promoting a person-centered culture and a corresponding portfolio of interoperable systems that can share and use data effectively to provide holistic services to Californians in need.

According to CalHHS, OSI has developed project management and technical expertise that would benefit departments and offices that have not acquired their own knowledge nor have time to acquire it. These departments and offices also need on-demand technical resources to implement and support effective and innovative solutions. OSI reports it has met with some CalHHS departments, including EMSA and the

California Department of Social Services, to learn about their IT activities and projected needs. OSI seeks to adopt a consulting model to provide resources to support project enterprise and solution architecture, project management and procurement, and to fill skills gaps while building long-term department capabilities through best practices and training.

Staffing and Resource Request. The CalHHS Office of Systems Integration (OSI) requests eight positions and General Fund expenditure authority of \$2.9 million in 2022-23 and \$2.5 million annually thereafter to realign resources and enhance enterprise-wide capabilities across CalHHS and to improve project delivery outcomes and technical service capabilities, including expansion of technology consulting services and the formation of a Systems Integration Center of Excellence. Specifically, OSI requests the following positions and resources in the following categories:

- **Project Portfolio Management Support** – **One Information Technology (IT) Manager I position and two IT Specialist II positions** would create actionable tools, templates, and process frameworks to deliver direct project and portfolio management services to CalHHS departments and offices. These services would include Project Approval Lifecycle processes and documentation, IT project delivery, business and requirement analysis, vendor management, and user-centered design.
- **Technology Solutions** – **Two IT Specialist III positions** would augment CalHHS’ technical skills depth and availability, provide broad insight to IT domains and capabilities in support of enterprise-wide business decisions, provide expertise in data and enterprise architecture, research and design, and technical solution implementation. In addition, OAIO requests General Fund expenditure authority of \$400,000 in 2022-23 to support a contract to augment and support the creation of initial artifacts related to this work, to be housed in the Systems Integration Center of Excellence and made available to all departments and offices.
- **Procurement Management** – **One IT Supervisor II position and one IT Specialist I position** would provide expertise in IT procurement management, including establishing a Center for Excellence for contract lifecycle management, performing procurement management to intra-agency initiatives, and assisting CalHHS agency projects and initiatives in complying with control agency mandates.
- **Information Security and Shared Services** – **One IT Specialist II position** would provide capacity to complete backlogged implementation of security tools and controls due to the transition to remote work and increased cybersecurity threats and exposures, provide necessary expertise for cloud migration, and enable the capacity to implement and manage selected enterprise shared services for both OSI and CalHHS.
- **Enterprise Portfolio Management** – OAIO requests General Fund expenditure authority of \$1 million annually for consulting services to support the collaborative design and development of standard enterprise portfolio management tools and processes available for use by departments and offices.

According to OSI, the requested resources would be supported by a General Fund appropriation, rather than cost recovery or reimbursements from CalHHS departments and offices through interagency agreements, to allow OSI to demonstrate the value of this approach while gradually shifting funding sources.

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 OSI to respond to the following:

1. Please provide a brief overview of this proposal.

Issue 4: April Finance Letter – Technical Adjustments

Technical Adjustments – April Finance Letter. CalHHS requests the following technical adjustments to its budget:

- *Children and Youth Behavioral Health Initiative.* CalHHS requests the following two adjustments related to the Children and Youth Behavioral Health Initiative:
 - Public Education and Change Campaign – CalHHS requests reappropriation of General Fund expenditure authority of \$25 million approved in the 2021 Budget Act to support the Adverse Childhood Experience Awareness Campaign and Trauma-Informed Training for Educators. These funds would be available for encumbrance and expenditure until June 30, 2025.
 - Subject Matter Expertise and Evaluation – CalHHS requests provisional language to extend the availability of General Fund expenditure authority of \$20 million approved in the 2021 Budget Act, until June 30, 2026.
- *Center for Data Insights and Innovation.* CalHHS requests reimbursement authority of \$600,000 and a reduction of expenditure authority from the Center for Data Insights and Innovation Fund of \$443,000, annually, to account for interagency agreements between the Center and six other CalHHS departments for administration of the Committee for the Protection of Human Subjects.
- *Equity Dashboard.* CalHHS requests reappropriation of General Fund expenditure authority of up to \$3.2 million approved in the 2021 Budget Act for implementation of an Equity Dashboard. These funds would be available for encumbrance and expenditure until June 30, 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 CalHHS to respond to the following:

1. Please provide a brief overview of these technical adjustments.

5160 DEPARTMENT OF REHABILITATION (DOR)

The Department of Rehabilitation (DOR) works in partnership with consumers and other stakeholders to provide direct services and advocacy resulting in employment, independent living, and equality for individuals with disabilities. DOR assists Californians with disabilities to obtain and retain competitive employment in integrated settings, and maximize equality and ability to live independently in their communities of choice. With a proposed 2022-23 budget of \$500.1 million (\$78.3 million General Fund) and 1,886 authorized positions, the department offers programs related to vocational rehabilitation, assistive technology, independent living, supported employment, services for individuals with traumatic brain injuries, and workforce development. The table below provides an overview of the department's funding.

| Fund Source | 2020-21 | 2021-22 | Proposed for 2022-23 |
|---|------------------|------------------|----------------------|
| General Fund | \$ 73,358 | \$88,157 | \$78,270 |
| Vending Stand Fund | \$1,583 | \$3,361 | \$3,361 |
| Federal Trust Fund | \$346,136 | \$406,010 | \$410,196 |
| Reimbursements | \$8,429 | \$10,380 | \$8,080 |
| Home & Community-Based Services American Rescue Plan Fund | - | 4,700 | 150 |
| Total Expenditures | \$429,506 | \$512,608 | \$500,057 |

* Dollars in thousands.

Issue 1: Disability Innovation Fund – Pathways to Success Program

Spring Finance Letter (SFL)/Budget Change Proposal (BCP). The department requests \$3.7 million in federal fund authority per year for five fiscal years to perform project activities and provide program oversight required under the federal grant Disability Innovation Fund: Pathways to Success Project. It is also requested that provisional language be added to the budget bill to make the grant funds available for encumbrance or expenditure through September 30, 2026, to provide flexibility for the department to expend the funds by the end of the grant period.

The department received a grant award of \$18.4 million from the federal Disability Innovation Fund for this program and is anticipating expending \$3.7 million annually over five years. The grant is funded by the U.S. Department of Education's Rehabilitation Services Administration (RSA) and was awarded on September 28, 2021.

Background. This pilot project targets underrepresented communities and aims to increase competitive integrated employment outcomes, economic self-sufficiency, independence, and inclusion for individuals with disabilities seeking to enter high-wage, high-skill, and high-demand careers, including those in science, technology, engineering, and mathematics (STEM). The unemployment rate of working-age

individuals with disabilities continues to be significantly higher than that of individuals without disabilities. The goals, objectives, and outcomes of the Pathways to Success Project include the development and evaluation of a unique Vocational Rehabilitation service delivery model; the use of existing technology tools to support the engagement, progress, and success of program participants; and supports the development of talent for business.

The program is designed to strengthen the connection and coordination between the department and other state agencies, community programs that serve individuals with disabilities, training entities, employers, and industry associations with the intent of providing a seamless service delivery system focused on career pathway access and success. In the development of the Pathways to Success Project grant application, the department engaged in discussions with the Employment Development Department, Department of Developmental Services, community partners, research universities, and the Labor and Workforce Development Agency to develop and establish a partnership around this proposal. Each state department and engaged partner will provide support to the department through technical assistance, information and referral, business contacts, and cross-referrals, as appropriate.

The use of sector-specialist teams is designed to ensure that participants have their counseling, guidance, training, and employment needs met by a specialist in the specific field that they are interested in pursuing. These teams will effectively engage with businesses and use or develop new work-based learning experiences, internships, apprenticeships, and career-level employment experiences for consumers to maximize competitive integrated employment outcomes and reduce reliance on public benefits.

The department plans to use the funding to support 10.5 positions over five years using temporary help. According to the department, the positions will provide effective delivery of career pathway services through oversight and coordination of program activities; engage with employers to develop training programs and work experience opportunities in specific industry sectors in or related to STEM occupations; and provide counseling, guidance, rehabilitation services, and support to participants in pursuing their employment goals that lead to career-level jobs. In addition, the grant funds will support agreements with San Diego State University Research Foundation's Interwork Institute, the University of California Los Angeles' Tarjan Center, Stanford Neurodiversity, and other organizations that will further the work of the Pathways to Success Project through project evaluation, technical assistance, and specialized training.

Staff Comment and Recommendation. Hold open.

Questions. The Subcommittee requests DOR respond to the following:

1. Please provide an overview of the proposal.
2. Please describe the work that the department has already completed in support of program implementation.
3. How will the department measure success of the program?

Issue 2: Opioid Settlements Fund – Integrating Employment in Recovery Program

SFL/BCP. The department requests \$4 million Opioid Settlements Fund (OSF), on a one-time basis, to implement the Integrating Employment in Recovery (IER) Program. The department also requests provisional budget bill language to establish authority for the pilot program and to make this funding available for encumbrance or expenditure through June 30, 2025, to provide flexibility for the department to expend the funding over three years.

Background. This proposal is part of a larger proposal in the Governor’s budget, spread across multiple state departments and agencies, to remediate the opioid crisis. The Governor’s Budget proposal relies upon two different sets of nationwide settlements. In the first, the Attorney General settled claims against McKinsey in February 2021 related to services it provided to the opioid industry. The 2022 Governor’s budget includes \$50 million one-time from the Opioid Settlements Fund from the McKinsey settlement. The second set of settlements arises from numerous lawsuits and investigations brought by states, counties, and cities nationwide against pharmaceutical distributors and manufacturers. Two nationwide settlements have been reached and are close to being finalized. The proposed settlements require the distributors to pay up to \$21 billion over 18 years and Janssen Pharmaceuticals, Inc., to pay up to \$5 billion over no more than 9 years, for a total of up to \$26 billion. California and its cities and counties could receive approximately \$2.2 billion for substance use prevention, harm reduction, treatment, and recovery activities.

The 2022 Governor’s Budget includes \$26 million one-time OSF for the Department of Health Care Access and Information (HCAI) to train providers to build out a substance use disorder (SUD) workforce with a focus on opioid treatment, to increase the number of licensed clinicians—including providers focused on addiction—and also provide supportive employment services to people with SUD issues to transition them into ongoing employment. This proposal shifts \$4 million one-time OSF from HCAI to DOR to establish the pilot IER program. \$1.2 million of the requested \$4 million will be used for provider training and the remaining \$2.8 million will be used for employment services.

Through the pilot, DOR will form a team to provide training to the provider workforce on evidence-based practices to serve people with SUD related to opioid use that can be incorporated as a part of holistic recovery. The training will focus on incorporating the full range of vocational rehabilitation (VR) services into treatment delivery as part of a whole-person approach to recovery and developing support for individuals returning to or transitioning into work during and following treatment. Content will include the beneficial impacts of employment on whole-person care, incorporating disability awareness and sensitivity into a SUD recovery framework, effectively connecting to VR and other workforce partners for job retention and placement services, and the need for long-term employment supports.

DOR also proposes to provide employment services in a minimum of four treatment centers and co-locating staff in selected centers treating diverse communities. Services would include employment skill development, job placement, and advocacy for and potential identification of long-term employment supports that people with SUD related to opioid use may require to be successful in the workplace. Employment services would be provided or coordinated by DOR staff through partnerships with behavioral health entities and other community-based organizations providing employment services and would be embedded alongside traditional treatment delivery.

Staff Comment and Recommendation. Hold open.

Questions. The Subcommittee requests DOR respond to the following:

1. Please provide an overview of the proposal.
2. What is the timeline for program development? When does the department expect the program to begin operating?
3. The department is proposing to provide employment services at a minimum of four treatment sites to treat diverse communities. How will those treatment sites be chosen?

4120 EMERGENCY MEDICAL SERVICES AUTHORITY**Issue 1: California Emergency Medical Services Data Resource System Funding Reappropriation**

Reappropriation – April Finance Letter. EMSA requests reappropriation of General Fund expenditure authority of \$10 million approved in the 2021 Budget Act, available for encumbrance and expenditure until June 30, 2024. If approved, these resources would allow EMSA to continue and complete the project planning process for the California Emergency Medical Services Data Resource System (CEDRS) and increase data interoperability.

Background. Data related to the provision of emergency medical services (EMS) in California is currently recorded in Prehospital Care Reporting (PCR) software by prehospital care personnel, such as paramedics and emergency medical technicians (EMTs). EMS providers transfer this data to one of the 33 local EMS agencies (LEMSAs). EMSA provides funding to the Inland Counties EMS Agency to collect pre-hospital and trauma data in the California EMS Information System (CEMSIS), which collects voluntary data from 32 of 33 LEMSA statewide. CEMSIS provides participating LEMSA access to aggregate statewide data submitted to the CEMSIS data system and is a tool for local EMS system quality improvement, improved EMS system management, and a limited benchmarking against and compliance with existing EMS national standards. EMSA reports this data is not available in real-time for state policymakers and managers, leaving the state without complete or timely information on the EMS system.

The 2021 Budget Act included General Fund expenditure authority of \$7.6 million for a grant program to onboard additional LEMSA to the existing systems and connect all health information exchanges and health information organizations to EMS data. In addition, the 2021 Budget Act included General Fund expenditure authority of \$2.4 million for a one-year planning period to begin the process of merging CEMSIS with EMSA's Health Information Technology for EMS system to create a statewide data hub. These resources included support for the equivalent of two Information Technology Specialists to support the project as it progresses through the California Department of Technology's Project Approval Lifecycle (PAL) process.

Reappropriation Request. EMSA requests reappropriation of General Fund expenditure authority of \$10 million approved in the 2021 Budget Act, available for encumbrance and expenditure until June 30, 2024, to continue and complete the project planning process for the California Emergency Medical Services Data Resource System (CEDRS) and increase data interoperability. According to EMSA, project delays, staffing recruitment issues, emergency response efforts, effects of the COVID-19 pandemic, and the need to incorporate the Physician Orders for Life Sustaining Treatment (POLST) registry into the system have all led to delays in expenditure of these resources. As a result, EMSA reports it requires reappropriation of these resources until June 30, 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 EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

| |
|---|
| Issue 2: Increased Resources for Information Technology Mission Efficiency |
|---|

Budget Change Proposal – April Finance Letter. EMSA requests two positions and General Fund expenditure authority of \$443,000 annually. If approved, these positions and resources would allow EMSA to manage growth in information technology workload and address security deficiencies.

| Program Funding Request Summary | | |
|--|------------------|------------------|
| Fund Source | 2022-23 | 2023-24* |
| 0001 – General Fund | \$443,000 | \$443,000 |
| Total Funding Request: | \$443,000 | \$443,000 |
| Total Requested Positions: | 2.0 | 2.0 |

* Positions and resources ongoing after 2023-24.

Background. According to EMSA, its Office of Information Technology (OIT) is currently staffed with 12 permanent positions, five of which are vacant, as well as four student assistants and two retired annuitants on a part-time basis. EMSA has one Information Security Officer (ISO) position responsible for internal security policies, state security policy compliance, risk management and technology recovery.

EMSA reports its mission and staff expanded quickly during the COVID-19 pandemic, which pre-empted the development of a comprehensive vision for an enterprise-level, function-specific information technology (IT) staffing model. While the assistance of the four student assistants and two retired annuitants has augmented the task-specific IT resource model, this assistance is intended to be temporary and is unsustainable in the long-term. EMSA seeks to reorganize its current IT efforts into three entities: IT Infrastructure Operations, IT Support, and the Information Security Office.

Staffing and Resource Request. EMSA requests two positions and General Fund expenditure authority of \$443,000 annually to manage growth in information technology workload and address security deficiencies. Specifically, EMSA requests the following positions:

- **One Information Technology Specialist II** position would serve as the Assistant ISO responsible for security operations for cloud computing and on-premises computing infrastructure, vulnerability scanning, intrusion detection and response, security investigation and forensics, security architecture, and security tools development.
- **One Information Technology Supervisor II** position would provide infrastructure operations oversight and management, and be responsible for server operations, network operations, endpoint operations, applications development, IT asset management and IT procurement management.

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 EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

| |
|--|
| Issue 3: Multicounty Local Emergency Medical Services Agency Funding Increase |
|--|

Budget Change Proposal – April Finance Letter. EMSA requests General Fund expenditure authority of \$2 million annually. If approved, these resources would support additional local assistance funding for California's multi-county Local Emergency Medical Services Agencies.

| Program Funding Request Summary | | |
|--|--------------------|--------------------|
| Fund Source | 2022-23 | 2023-24* |
| 0001 – General Fund | \$2,010,000 | \$2,010,000 |
| Total Funding Request: | \$2,010,000 | \$2,010,000 |
| Total Requested Positions: | 0.0 | 0.0 |

* Resources ongoing after 2023-24.

Background. Local EMS agencies (LEMSAs) serve as the lead agency for the local EMS system designated by the county and are responsible for planning, implementing, and evaluating the local EMS system, and integrating system participants in the jurisdiction. According to EMSA, each LEMSA must address and maintain the following eight EMS system components: 1) system organization and management; 2) manpower and training; 3) communications; 4) transportation; 5) assessment of hospitals and critical care centers; 6) data collection and evaluation; 7) public information and education; and 8) disaster response.

There are currently 33 LEMSA in California, comprised of 26 single county LEMSA and seven multicounty LEMSA. The seven multicounty LEMSA are composed of 32 of the state's 58 counties and provide EMS services to approximately 6.8 million Californians. EMSA provides supplemental General Fund resources to multicounty LEMSA located in large rural areas and those with smaller populations and limited financial and health care resources. This funding supports minimum essential services necessary to operate the local emergency medical system. Since the 1999-2000 fiscal year, supplemental funding to multicounty LEMSA has been \$2.2 million annually, with a local match of one dollar for each state dollar received for large population LEMSA and 41 cents for smaller population LEMSA. In 2021-22, multicounty LEMSA received the following funding:

- Central California EMS Agency (four counties; 1.8 million population) - \$406,000
- Coastal Valley EMS Agency (two counties; 570,876 population)* - \$0
- Inland Counties EMS Agency (three counties; 2.2 million population) - \$298,000
- Mountain Valley EMS Agency (five counties; 657,553 population) - \$367,000
- North Coast EMS Agency (three counties; 221,740 population) - \$241,000
- Northern California EMS Agency (five counties; 71,903 population) - \$287,000
- Sierra-Sacramento Valley EMS Agency (ten counties; 1.2 million population) - \$583,000

*Note: Coastal Valley no longer qualifies for supplemental funding as they only have two counties in their LEMSA

According to EMSA, LEMSA operational costs have increased over the past twenty years while state funding for essential services has remained flat or decreased. LEMSA account for the funding shortfall by increasing local provider and certification fees. In addition, these funding shortfalls may result in LEMSA reducing or eliminating certain EMS services, undermining crisis support services and general disaster preparedness and response.

Local Assistance Funding Request. EMSA requests General Fund expenditure authority of \$2 million annually to support additional local assistance funding for California's multiconty Local Emergency Medical Services Agencies. Specifically, EMSA requests support for multiconty LEMSAAs in the following categories:

Central California - \$534,000 total funding (\$192,000 for communications; \$25,000 for data collection and evaluation; \$122,000 for disaster response; and \$195,000 for system organization and managements)

Inland Counties - \$220,000 total funding (\$210,000 for data collection and evaluation; and \$10,000 for disaster response)

Mountain Valley - \$384,000 total funding (\$210,000 for disaster response; \$51,000 for transportation; and \$123,000 for system organization and management)

North Coast – \$255,000 total funding (\$10,000 for disaster response; \$102,000 for assessment of hospitals and critical care centers; and \$137,000 for system organization and management)

Northern California - \$307,000 total funding (\$68,000 for disaster response; \$102,000 for assessment of hospitals and critical care centers; and \$137,000 for system organization and management)

Sierra-Sacramento Valley - \$310,000 total funding (\$75,000 for data collection and evaluation; \$60,000 for disaster response; and \$175,000 for system organization and management)

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 EMSA to respond to the following:

1. Please provide a brief overview of this proposal.

4150 DEPARTMENT OF MANAGED HEALTH CARE**Issue 1: Administrative Support Services**

Budget Change Proposal – April Finance Letter. DMHC requests eight positions and expenditure authority from the Managed Care Fund of \$1.3 million in 2022-23 and \$1.2 million annually thereafter. If approved, these positions and resources would allow DMHC to support growth in workload for business management services, fiscal services, human resource administrative services, and information technology services.

| Program Funding Request Summary | | |
|--|--------------------|--------------------|
| Fund Source | 2022-23 | 2023-24* |
| 0933 – Managed Care Fund | \$1,301,000 | \$1,237,000 |
| Total Funding Request: | \$1,301,000 | \$1,237,000 |
| Total Requested Positions: | 8.0 | 8.0 |

* Positions and resources ongoing after 2023-24.

Background. According to DMHC, over the last five years the department's expenditure authority has grown more than 30 percent from \$80 million in 2017-18 to \$104 million in 2021-22. Over the same period, the total number of authorized positions in the department has grown from 451 employees in 2017-18 to 516 employees in 2021-22. Various additional workload increases have also led DMHC to propose three budget change proposals in 2022-23 for a total of 44 new positions: 21 positions for the Help Center, 11 positions for the Office of Plan Monitoring, and 12 positions for administrative workload. DMHC reports these proposals did not include the ongoing administrative support needed for human resources, procurement, labor management, and information technology. DMHC reports it typically requires one administrative position for every ten employees.

Staffing and Resource Request. DMHC requests eight positions and expenditure authority from the Managed Care Fund of \$1.3 million in 2022-23 and \$1.2 million annually thereafter to support growth in workload for business management services, fiscal services, human resource administrative services, and information technology services. Specifically, DMHC requests the following positions and resources:

- **Office of Administrative Services – Four Associate Governmental Program Analysts** would be responsible for coordinating facility-related accommodations and services requests for the department and its employees; identifying and managing budget allotment and program expenditures and projections; coordinating human resources functions, including recruitment and retention, duty statements, justifications, job postings, applications, and employment verification; coordinating job-related training; and responding to questions about health and medical benefits, leave accruals, classification and pay, retirement, reasonable accommodations, Employee Assistance Program, and Equal Employment Opportunity services.
- **Office of Technology and Innovation – Four Information Technology Specialist I** positions would provide desktop support, including asset management, image management, patch management, help desk, service requests, and mobile device support; and onboard new positions, including equipment and software setup and ongoing support, managing employee security training, developing and

maintaining department user policies, and monitoring adherence to network information security policies and procedures.

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 DMHC to respond to the following:

1. Please provide a brief overview of this proposal.
2. Please describe how these administrative positions differ in workload from those requested in the Administrative Workload budget change proposal submitted in the January budget.

| |
|---|
| Issue 2: Health Plans and Health Insurance: Third-Party Payment (AB 290) |
|---|

Budget Change Proposal – April Finance Letter. DMHC requests expenditure authority from the Managed Care Fund of \$782,000 in 2022-23 and \$750,000 in 2023-24. If approved, these resources would extend previously approved limited-term resources that support implementation of requirements on third party payment of health plan premiums, pursuant to AB 290 (Wood), Chapter 862, Statutes of 2019.

| Program Funding Request Summary | | |
|--|------------------|------------------|
| Fund Source | 2022-23 | 2023-24 |
| 0933 – Managed Care Fund | \$782,000 | \$750,000 |
| Total Funding Request: | \$782,000 | \$750,000 |
| Total Requested Positions: | 0.0 | 0.0 |

Background. AB 290 (Wood), Chapter 290, Statutes of 2019, prohibits a financially interested entity from providing premium assistance for health care coverage unless it: 1) provides assistance for the full plan year; 2) notifies enrollees prior to open enrollment if financial assistance will be discontinued; 3) agrees not to condition financial assistance on eligibility for, or receipt of, any surgery, transplant, procedure, drug, or device; 4) informs an applicant of financial assistance annually of all available health care coverage options including Medicare, Medicaid, individual market plans, and employer plans; 5) agree not to steer, direct, or advise a patient into or away from a specific coverage program option or health care service plan contract; 6) agree that financial assistance shall not be conditioned on the use of a specific facility, health care provider, or coverage type; and 7) agree that financial assistance shall be based on financial need with uniformly applied and publicly available criteria. AB 290 also governs provider reimbursement for financially interested entities for covered services through a third-party premium payment arrangement and requires DMHC to establish an independent dispute resolution process (IDRP) for determining if the reimbursement amount was appropriately determined and paid. In addition, if a health care service plan subsequently discovers that a financially interested entity failed to provide the proper disclosure, the plan may recover 120 percent of the difference between the payment made and the payment to which the provider was entitled and must notify and remit a portion of the overpayment to DMHC.

The 2020 Budget Act included expenditure authority from the Managed Care Fund of \$1.2 million in 2020-21, and \$775,000 in 2021-22 to implement the requirements of AB 290. These resources supported the equivalent of four positions. Two positions were for the Help Center, and one each for the Office of Financial Review and the Office of Technology and Innovation.

Resource Request. DMHC requests expenditure authority from the Managed Care Fund of \$782,000 in 2022-23 and \$750,000 in 2023-24 to continue to support implementation of requirements on third party payment of health plan premiums, pursuant to AB 290 (Wood), Chapter 862, Statutes of 2019. This request is an extension of the limited term resources approved in the 2020 Budget Act. According to DMHC, litigation from the American Kidney Foundation has prevented implementation of AB 290. As a result, these resources are requested on a limited-term basis pending the outcome of the litigation.

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 DMHC to respond to the following:

1. Please provide a brief overview of this proposal.

4440 DEPARTMENT OF STATE HOSPITALS**Issue 1: Pharmacy Modernization – Phase 3**

Budget Change Proposal – April Finance Letter. DSH requests reappropriation of General Fund expenditure authority of \$2.7 million authorized in the 2020 Budget Act. In addition, DSH requests General Fund expenditure authority of \$3.2 million in 2023-24, \$3 million in 2024-25, \$2.9 million in 2025-26 and \$1.2 million in 2026-27. If approved, these resources would allow DSH to complete the implementation phase of its Pharmacy Modernization project for all hospitals, and cover initial maintenance and operations costs.

| Program Funding Request Summary | | |
|--|----------------------|--------------------|
| Fund Source | 2022-23 | 2023-24* |
| 0001 – General Fund | [\$2,700,000] | \$3,200,000 |
| Total Funding Request: | [\$2,700,000] | \$3,200,000 |
| Total Requested Positions: | 0.0 | 0.0 |

* Additional fiscal year resources requested – 2024-25: \$3,000,000; 2025-26: \$2,900,000; 2026-27: \$1,200,000

Background. DSH patients typically have complex medication needs and nursing staff is required to remain vigilant so that orders written by clinical staff are processed in a timely manner. However, many of the medication processes currently employed rely on hard copies of documentation for prescriptions. According to DSH, current processes for pharmacy services vary among the state hospitals. In four state hospitals, medication orders are written in paper format and hand delivered to the pharmacy or received through fax. Upon receipt, a pharmacy technician enters the order and a pharmacist confirms the order is correct, the dosage appropriate, and evaluates drug interactions.

In 2018-19 DSH began implementation of a Pharmacy Modernization project to address the need for standardization of pharmacy practices across the state hospitals. The project will address inventory control, unit dose repackaging, automated dispensing, patient specific medication billing, and data integration. The 2019 Budget Act included General Fund expenditure authority of \$2.2 million in 2019-20 to complete Phase 1 of the California Department of Technology's Project Approval Lifecycle (PAL) process. The 2020 Budget Act included General Fund expenditure authority of \$928,000 in 2020-21, \$5.6 million in 2021-22, and \$1.2 million in 2022-23 for implementation of the Pharmacy Modernization project.

Resource Request. DSH requests reappropriation of General Fund expenditure authority of \$2.7 million authorized in the 2020 Budget Act. In addition, DSH requests General Fund expenditure authority of \$3.2 million in 2023-24, \$3 million in 2024-25, \$2.9 million in 2025-26 and \$1.2 million in 2026-27 to complete the implementation phase of its Pharmacy Modernization project for all hospitals, and cover initial maintenance and operations costs. According to DSH, an extended project planning and procurement timeline caused a delay in the target implementation schedule. While one hospital will be implemented in the last half of 2021-22, a reappropriation of \$2.7 million would allow an additional two hospitals to be completed in 2022-23. In addition to these delays, DSH reports the extension of planning activities related to these delays, as well as increased equipment costs, have led to an overall increase in the cost of the project. In addition, previous funding requests did not include support for maintenance and

operations after implementation of the project. The requested General Fund expenditure authority of in 2023-24 through 2026-27 reflect these increased costs for implementation, equipment, and maintenance and operations.

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.

4560 MENTAL HEALTH SERVICES OVERSIGHT AND ACCOUNTABILITY COMMISSION**Issue 1: Mental Health Student Services Act Partnership Grant Program Position Authority**

Budget Change Proposal – April Finance Letter. MHSOAC requests five positions annually, funded with existing resources. If approved, these positions would support implementation of the Mental Health Student Services Act Partnership Grant Program.

| Program Funding Request Summary | | |
|--|----------------|-----------------|
| Fund Source | 2022-23 | 2023-24* |
| 3085 – Mental Health Services Fund | \$- | \$- |
| Total Funding Request: | \$- | \$- |
| Total Requested Positions: | 5.0 | 5.0 |

* Positions ongoing after 2023-24.

Background. The 2019 Budget Act included expenditure authority from the Mental Health Services Fund of \$50 million in 2019-20 and \$10 million annually thereafter for the Mental Health Student Services Act (MHSSA), a competitive grant program to establish mental health partnerships between county mental health or behavioral health departments and school districts, charter schools, and county offices of education. These partnerships support: (1) services provided on school campuses; (2) suicide prevention; (3) drop-out prevention; (4) outreach to high-risk youth and young adults, including, but not limited to, foster youth, youth who identify as lesbian, gay, bisexual, transgender, or queer (LGBTQ), and youth who have been expelled or suspended from school; (5) placement assistance and development of a service plan that can be sustained over time for students in need of ongoing services; and (6) other prevention, early intervention, and direct services, including, but not limited to, hiring qualified mental health personnel, professional development for school staff on trauma-informed and evidence-based mental health practices, and other strategies that respond to the mental health needs of children and youth.

Building on the partnership model in MHSOAC's triage grant program, MHSSA supports partnerships between county behavioral health programs and educational entities. Combining the \$50 million allocation in 2019-20 with the annual \$10 million allocations for the subsequent three fiscal years, MHSOAC allocated a total of \$75 million over four years for funding of the MHSSA Partnership Grant Program. The funding was made available in two categories: 1) \$45 million for counties with existing school mental health partnerships, and 2) \$30 million for counties developing new or emerging partnerships. Within each category, funding was made available based on the population size of a county with a total of six grants at \$2.5 million each made available to small counties (less than or equal to 200,000 population), six grants at \$4 million each made available to medium counties (between 200,000 and 750,000 population), and six grants at \$6 million each made available to large counties (greater than 750,000 population). 38 counties submitted applications for funding. 20 counties with existing partnerships submitted applications and 10 received awards. 18 counties developing new or emerging partnerships submitted applications and eight received awards.

The 2021 Budget Act included \$205 million (\$100 million Coronavirus Fiscal Recovery Fund and \$105 million Mental Health Services Fund) in 2021-22 to support additional grants under MHSSA. These resources will allow MHSOAC to fund the 18 previous applicants that did not receive a grant under

MHSSA, as well as provide funding for other counties that did not previously apply. MHSOAC estimates a total of 58 grants will be awarded by the end of 2022. To support the grant application process, the 2021 Budget Act included \$25 million for state operations to administer the program. However, no positions were established.

Staffing Request. MHSOAC requests five positions annually, funded with existing resources to support implementation of the Mental Health Student Services Act Partnership Grant Program. Specifically, MHSOAC requests the following positions:

- **One Health Program Specialist II** position would act as the working lead over the MHSSA Partnership Grant Program implementation and Statewide Learning Collaborative to support participating counties in sharing strategies that lead to desired program outcomes across the state.
- **Two Health Program Specialist I** positions would monitor MHSSA Partnership Grant Program implementation, support the completion of contract reports, and assist in the completion of all required program oversight documentation.
- **One Associate Governmental Program Analyst** would organize and communicate successes, challenges, and critical findings associated with the program to the Commission, grantees, and the public.
- **One Associate Governmental Program Analyst** would collect and organize all quarterly and annual program expenditure documents, quarterly grant payments, MHSSA contract amendments, report program expenditures to FI\$Cal, and make recommendations regarding the organization of contract and deliverable documentation.

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 MHSOAC to respond to the following:

1. Please provide a brief overview of this proposal.