

SUBCOMMITTEE NO. 3

Agenda

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



Thursday, May 25th, 2023
1:00 pm, or upon adjournment of session
1021 O Street – Room 1200

Consultant: Elizabeth Schmitt and Scott Ogus

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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.

ISSUES FOR VOTE ONLY

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY

Issue 1: Case Management Information and Payrolling System

Budget Change Proposal – Governor’s Budget. The Office of Systems Integration (OSI) requests two permanent positions and an increase of \$10.7 million in expenditure authority in 2023-24 and ongoing for the implementation and support of the Case Management Information and Payrolling System. This proposal reflects a requested increase in reimbursement authority (California Health and Human Service Automation Fund), General Funds for which were previously approved in the Department of Social Services’ (CDSS) budget.

Program Funding Request Summary (CalHHS-OSI)		
Fund Source	2023-24	2024-25*
9745 – California Health and Human Services Automation Fund	\$10,691,000	\$10,691,000
Total Funding Request:	\$10,691,000	\$10,691,000
Total Requested Positions:	2.0	2.0

* Positions and resources ongoing after 2023-24.

This proposal was heard at the Subcommittee’s March 2, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 2: Statewide Automated Welfare System Ongoing Support

Budget Change Proposal – Governor’s Budget. This joint proposal requests \$852,000 (\$328,000 General Fund) for the conversion of five full-time positions (three Department of Health Care Services, one Department of Social Services, and one Office of Systems Integration) from limited term to permanent to support the Statewide Automated Welfare System (CalSAWS) consolidation. The requested position resources will continue to direct, govern, and oversee the planning and implementation of the CalSAWS.

This proposal was heard at the Subcommittee’s March 2, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt Supplemental Report Language regarding improved stakeholder engagement related to the California Statewide Automated Welfare System (CalSAWS) public-facing technology.

Issue 3: Electronic Visit Verification Phase II

Budget Change Proposal – Governor’s Budget. The Office of Systems Integration (OSI), the Department of Health Care Services (DHCS), and the Department of Developmental Services (DDS) request three positions (within DHCS) and total expenditure authority of \$2.5 million (\$832,000 General Fund and \$1.6 million federal funds) in 2023-24. If approved, these positions and resources would

continue the multi-departmental effort for the second phase (Phase II) of implementation of Electronic Visit Verification for personal care services and home health care services.

Program Funding Request Summary (CalHHS-OSI)		
Fund Source	2023-24*	2024-25**
9745 – CHHS Automation Fund	\$1,481,000	\$1,770,000
Total Funding Request:	\$1,481,000	\$1,770,000
Total Requested Positions:	0.0	0.0

* Transfers from other Departments (included below): DHCS: \$741,000; DDS: \$740,000
 ** Additional fiscal year resources requested for OSI: 2025-26: \$1,770,000; 2026-27: \$2,012,000; 2027-28: \$2,012,000

Program Funding Request Summary (DHCS)		
Fund Source	2023-24	2024-25**
0001 – General Fund	\$340,000	\$371,000
0890 – Federal Trust Fund*	\$1,791,000	\$1,966,000
Total Funding Request:	\$2,131,000	\$2,337,000
Total Requested Positions:	3.0	3.0

* Federal Trust Fund appropriation includes transfer of federal Medicaid matching funds to DDS, reflected below as Reimbursements.
 ** Additional fiscal year resources requested for DHCS: 2025-26 and ongoing: \$503,000.

Program Funding Request Summary (DDS)		
Fund Source	2023-24	2024-25**
0001 – General Fund	\$335,000	\$335,000
0995 – Reimbursements*	\$405,000	\$405,000
Total Funding Request:	\$740,000	\$740,000
Total Requested Positions:	0.0	0.0

* Reimbursements are the result of federal matching funds transferred from DHCS and are included in the totals attributed to the DHCS request.
 ** Resources ongoing after 2024-25.

This issue was heard by the subcommittee during its hearing on March 2nd, 2023.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 4: California Emergency Medical Services Data Resource System (CEDRS)

Budget Change Proposal – Governor’s Budget. The CalHHS Office of Systems Integration (OSI) requests six positions and expenditure authority from the California Health and Human Services Automation Fund of \$1.1 million annually. If approved, these positions and resources would allow OSI to provide project management support to the Emergency Medical Services Authority (EMSA) for the California Emergency Medical Services (EMS) Data Resource System Project.

Program Funding Request Summary (CalHHS-OSI)		
Fund Source	2023-24	2024-25*
9745 – CHHS Automation Fund	\$1,129,000	\$1,129,000
Total Funding Request:	\$1,129,000	\$1,129,000

Total Requested Positions:	6.0	6.0
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* Positions and resources ongoing after 2024-25.

Budget Change Proposal Update – May Revision. The CalHHS Office of Systems Integration (OSI) requests three positions and expenditure authority from the CalHHS Automation Fund of \$665,000 in 2023-24. If approved, these positions and resources would allow OSI to provide additional project management support to the Emergency Medical Services Authority (EMSA) for the California Emergency Medical Services (EMS) Data Resource System (CEDRS) Project. These positions and resources would be in addition to the Budget Change Proposal for CEDRS submitted in the January budget.

Program Funding Request Summary (CalHHS-OSI)		
Fund Source	2023-24	2024-25*
9745 – CalHHS Automation Fund	\$665,00	\$-
Total Funding Request:	\$665,000	\$-
Total Requested Positions:	3.0	3.0

* Positions ongoing after 2024-25.

This issue was heard during the subcommittee’s March 2nd and May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with these proposed resources.

Issue 5: Equity-Centered Programs – Transfer to Department of Public Health

Budget Change Proposal – Governor’s Budget. CalHHS requests transfer of one position and General Fund expenditure authority of \$182,000 to the California Department of Public Health (CDPH) to perform a retrospective analysis of the intersection of the COVID-19 pandemic and health disparities and equity.

Program Funding Request Summary (CalHHS)		
Fund Source	2023-24	2024-25*
0001 – General Fund	(\$182,000)	(\$182,000)
Total Funding Request:	(\$182,000)	(\$182,000)
Total Requested Positions:	(1.0)	(1.0)

* Positions and resource changes ongoing after 2024-25.

Program Funding Request Summary (CDPH)		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$182,000	\$182,000
Total Funding Request:	\$182,000	\$182,000
Total Requested Positions:	1.0	1.0

* Positions and resource changes ongoing after 2024-25.

This issue was heard by the subcommittee during its hearing on March 2nd, 2023.

Subcommittee Staff Comment and Recommendation—Approve and adopt modified placeholder budget bill language. Subcommittee staff recommends approving the proposed transfer of resources

from CalHHS to CDPH, and adopting modified placeholder budget bill language to require the retrospective analysis conducted by CDPH with these resources to include recommendations on how to address the health disparities and inequities exposed and exacerbated by the COVID-19 pandemic.

Issue 6: OSI Reorganization Name Change – Trailer Bill Language

Trailer Bill Language – Governor’s Budget. CalHHS proposes trailer bill language to rename the Office of Systems Integration the Office of Technology and Solutions Integration.

This issue was heard by the subcommittee during its hearing on March 2nd, 2023.

Subcommittee Staff Comment and Recommendation—Approve and adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 7: Office of the Agency Information Officer and Office of Systems Integration Resources

Budget Change Proposal and Trailer Bill Language – April Finance Letter. CalHHS requests three positions and expenditure authority from the CalHHS Automation Fund of \$600,000 annually. If approved, these positions and resources would allow CalHHS to enhance enterprise-wide capabilities and improve project delivery outcomes and technical services capabilities by establishing the leadership structure for the combined responsibilities of the Agency Information Officer and Office of Systems Integration.

CalHHS also requests trailer bill language to authorize up to \$200 million in short-term General Fund loan authority in the event reimbursements do not come in on time to pay vendors.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
9745 – CalHHS Automation Fund	\$600,000	\$600,000
Total Funding Request:	\$600,000	\$600,000
Total Requested Positions:	3.0	3.0

* Position and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 8: Various Reappropriations and Technical Adjustments

Reappropriations and Technical Adjustments – April Finance Letter. CalHHS requests the following reappropriations and technical adjustments in its April Finance Letter:

Children and Youth Behavioral Health Initiative Reappropriation. CalHHS requests reappropriation of up to \$8.8 million of General Fund expenditure authority, originally approved in the 2021 Budget Act,

for the Children and Youth Behavioral Health Initiative. The 2021 Budget Act included General Fund expenditure authority of \$50 million over five years for CalHHS to provide subject matter expertise and evaluation for the initiative.

Health Equity Training Reappropriation. CalHHS requests reappropriation of up to \$2.5 million of General Fund expenditure authority, originally approved in the 2021 Budget Act, to support expansion of equity training opportunities to staff of CalHHS departments and other entities, to create transformative change toward a more equitable state. The reappropriation would extend availability of these funds until June 30, 2024.

Gender Affirming Care Fund Technical Change. CalHHS requests a decrease of General Fund expenditure authority of \$350,000 to reflect a correct amount proposed in its January budget proposal for a consultant to plan, organize, and facilitate a transgender, gender diverse, or intersex working group, pursuant to the provisions of SB 923 (Wiener), Chapter 822, Statutes of 2022. According to CalHHS and the Department of Finance, an incorrect amount was posted in the system that did not align with the amount included in the budget change proposal.

Employee Compensation Technical Program Adjustment. CalHHS requests a shift of expenditure authority from the Office of Patient Advocate Trust Fund of \$71,000 from the Center for Data Insights and Innovation to the Office of Patient Advocate. This adjustment correctly budget for employee compensation by program.

Suicide and Crisis Lifeline – Request to Extend Authority and Contract Exemption. CalHHS requests provisional budget bill language to extend funding authority to implement requirements of AB 988 (Bauer-Kahan), Chapter 747, Statutes of 2022), until June 30, 2028, and to exempt contracts from requirements contained in the Public Contracts Code, the State Administrative Manual, and from the approval of the Department of General Services. CalHHS requests this language to allow a contractor to be hired immediately for subject matter expertise for stakeholder meetings to develop the five-year plan required by AB 988.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Modify. Subcommittee staff recommends modifying the Children and Youth Behavioral Health Initiative reappropriation to instead reappropriate and reallocate those funds to the Mental Health Oversight and Accountability Commission to conduct an evaluation of the impact of the initiative on the behavioral health needs and status of children and youth in California. Subcommittee staff recommends approving the other reappropriations and technical adjustments in this item as budgeted.

Issue 9: Health Innovations Initiative

Budget Change Proposal – May Revision. CalHHS requests General Fund expenditure authority of \$9 million in 2023-24, in addition to \$1 million requested in the January budget. If approved, these resources would support a Health Innovations Initiative, which would promote health and human services innovations that benefit California citizens.

Program Funding Request Summary (CalHHS)		
Fund Source	2023-24	2024-25
0001 – General Fund	\$10,000,000	\$-
Total Funding Request:	\$10,000,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s May 16th hearing.

Subcommittee Staff Comment and Recommendation—Reject. While this is a worthwhile project for CalHHS to accelerate the introduction of new innovations to safety net programs, the current General Fund shortfall requires a prioritization of projects in the context of relative benefits. Subcommittee staff recommends rejecting this proposal.

Issue 10: Home and Community-Based Services Spending Plan

Multiple Departments: 4140 Health Care Access and Information (HCAI)
 4170 California Department of Aging (CDA)
 4260 Department of Health Care Services (DHCS)
 4300 Department of Developmental Services (DDS)
 5160 Department of Rehabilitation (DOR)
 5180 Department of Social Services (CDSS)

Home and Community-Based Spending Plan – May Revision. The May Revision proposes a limited six-month extension of the federal Home and Community-Based Services (HCBS) Spending Plan for specified programs under CDA, CDSS, DDS, and DHCS.

This issue was heard at the Subcommittee’s March 2, 2023 hearing, May 16, 2023, hearing, and other Subcommittee hearings.

Subcommittee Staff Comment and Recommendation – Modify. Extend the timeline for all programs in the HCBS Spending Plan to the maximum time allowed by the federal government, with expenditures permitted through and until December 30, 2024, making corresponding changes to the Budget Bill Language.

Issue 11: Child Welfare Services - California Automated Response and Engagement System Project

Child Welfare Services - California Automated Response and Engagement System Project – May Revision. The Office of Systems Integration requests a total of \$163.7 million (\$83.4 million General Fund, \$79.2 million federal funds, and \$1.2 million reimbursements) for 2023-24, along with 5.0 new permanent Office of Systems Integration positions, 5.0 new permanent California Department of Social Services positions, and permanent position authority for 5.0 current California Department of Social Services state operations positions to be moved to the project budget as dedicated resources. Additionally, provisional language is requested to increase project expenditure authority up to an additional \$36.6 million (\$18.3 million General Fund). The requested funding and positions provide the resources to

continue the design, development, and implementation activities of the Child Welfare Services – California Automated Response and Engagement System.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation - Approve as Budgeted. Additionally, adopt modified Budget Bill Language to reference a definition of “verified satisfactory progress” that will be defined in the Trailer Bill Language and increase the amount of project funding subject to Department of Finance’s approval and written notification to the Joint Legislative Budget Committee (JLBC) based on verification of satisfactory progress made on project development and implementation. Adopt corresponding placeholder Trailer Bill Language.

Issue 12: Progress Review Hearing Technical Clarification – Office of Youth and Community Restoration

Trailer Bill Language – May Revision. The Governor’s May Revision proposes a clarification to progress review hearings subject to Welfare and Institutions Code 875. This language clarifies that any time spent by a youth in a less restrictive program shall be included in the term of commitment for which a progress review must occur every six months.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 13: Legislative Proposal to Expand Responsibilities of the Office of Youth and Community Restoration

Legislative Proposal – Office of Youth and Community Restoration (OYCR). This legislative proposal would require to OYCR to collect and publish quarterly county data on youth committed to Secure Youth Track Facilities (SYTFs) and youth transferred to adult criminal courts.

Oversight issues regarding OYCR were heard at the Subcommittee’s March 2, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY

Issue 14: Diversity, Equity, and Inclusion Strategic Plan Development

Budget Change Proposal – Governor’s Budget. EMSA requests General Fund expenditure authority of \$100,000 in 2023-24. If approved, these resources would allow EMSA to contract with a consultant to develop a Diversity, Equity, and Inclusion Strategic Plan that aligns with CalHHS initiatives to reduce health inequities and disparities.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$100,000	\$-
Total Funding Request:	\$100,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 15: California POLST eRegistry Act – Trailer Bill Language

Trailer Bill Language – Governor’s Budget. EMSA requests trailer bill language to repeal the requirement that the California POLST eRegistry incorporate the Advanced Health Care Directive Registry administered by the California Secretary of State.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal. The Administration has indicated a willingness to make adjustments to the POLST form to inform consumers about the differences between a POLST and an advanced health care directive, and other information to ensure consumers can appropriately memorialize their directives for health care decision-making in the absence of the ability to provide informed consent. However, subcommittee staff recommends the Administration and the Legislature evaluate and pursue future policy changes to further protect consumers from the potential for confusion from a lack of coordination between these two systems.

Issue 16: EMSA Director and Chief Medical Officer

Budget Change Proposal – April Finance Letter. EMSA requests one position and General Fund expenditure authority of \$312,000 annually. If approved, this position and resources would support establishment of the Chief Medical Officer at EMSA.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$312,000	\$312,000
Total Funding Request:	\$312,000	\$312,000
Total Requested Positions:	1.0	1.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Budget Change Proposal Update – May Revision. EMSA requests additional General Fund expenditure authority of \$29,000. If approved, these resources would support departmental indirect costs associated with the appointment of a Chief Medical Officer. Trailer bill language establishing the position was proposed in the January budget, and EMSA submitted a Budget Change Proposal to support the position in its April Finance Letter. These resources would be in addition to the resources requested in the April Finance Letter.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$29,000	\$29,000
Total Funding Request:	\$29,000	\$29,000
Total Requested Positions:	0.0	0.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 16th hearing.

Trailer Bill Language – Governor’s Budget. EMSA requests trailer bill language to repeal the requirement that the EMSA Director be a medical doctor (MD) and establish the position of Chief Medical Officer within EMSA’s leadership team.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and Adopt modified placeholder trailer bill language to:

- More comprehensively update statute to assign all clinical and medical aspects of the state’s EMS system to the Chief Medical Officer.
- Require the EMSA Director to have extensive experience in EMS, health, public health, or a related field.

Issue 17: California Emergency Medical Services Information System Maintenance and Operations

Budget Change Proposal – April Finance Letter. EMSA requests General Fund expenditure authority of \$4.9 million in 2023-24 and \$185,000 in 2024-25. If approved, these resources would provide for maintenance and operations for the California Emergency Medical Services Information System (CEMSIS).

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$4,938,000	\$185,000
Total Funding Request:	\$4,938,000	\$185,000
Total Requested Positions:	0.0	0.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 18: Staffing Allocation Resources

Budget Change Proposal – April Finance Letter. EMSA requests four positions and General Fund expenditure authority of \$775,000 annually. If approved, these positions and resources would support alignment of staff allocation and reporting structure requirements mandated by the California Department of Human Resources.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$775,000	\$775,000
Total Funding Request:	\$775,000	\$775,000
Total Requested Positions:	4.0	4.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 19: California Emergency Medical Services Central Registry

Budget Change Proposal – May Revision. EMSA requests redirection of existing General Fund expenditure authority of \$190,000 from the California Emergency Medical Advancement Project to support planning efforts for the Central Registry. According to EMSA, the 2021 Budget Act and AB 128 (Committee on Budget), Chapter 21, Statutes of 2021, included the California Emergency Medical Advancement Project, which would allow EMSA to track community paramedicine licenses. As this functionality is proposed to be incorporated into planning for EMSA’s Central registry, EMSA requests redirection of resources for this effort.

This issue was heard during the subcommittee’s May 16th hearing.

Subcommittee Staff Comment and Recommendation— Approve as budgeted. No concerns have been raised with this proposal.

4140 DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

Issue 20: Support for Health Workforce Education and Training Council

Budget Change Proposal – Governor’s Budget. HCAI requests two positions annually, supported by previously approved state operations resources. If approved, these positions would support administration of the Health Workforce Education and Training Council.

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

* Positions ongoing after 2024-25.

This issue was heard by the subcommittee during its hearing on March 2nd, 2023.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 21: Budget Solution: Healthcare Workforce Delays

Trailer Bill Language and Budget Solution – Governor’s Budget. HCAI requests to delay expenditure authority approved in the 2022 Budget Act for several health care workforce development programs. The programs that would be delayed are as follows:

- *Comprehensive Nursing Initiative.* \$15 million from 2022-23 and \$55 million from 2023-24 would be delayed until 2024-25 and 2025-26.
- *Community Health Workers.* \$130 million from 2023-24 would be delayed until 2024-25 and 2025-26.
- *Social Work Initiative.* \$3.5 million from 2022-23 and \$48.4 million from 2023-24 would be delayed until 2024-25 and 2025-26.
- *Addiction Psychiatry and Addiction Medicine Fellowships.* \$23.5 million from 2022-23 and \$25 million from 2023-24 would be delayed until 2024-25 and 2025-26.
- *University and College Training Grants for Behavioral Health Professionals.* \$26 million from 2022-23 and \$26 million from 2023-24 would be delayed until 2024-25 and 2025-26.
- *Expand Masters in Social Work Slots at Public Schools of Social Work.* \$30 million from 2023-24 would be delayed until 2024-25 and 2025-26.
- *Nursing in Song-Brown.* \$15 million from 2023-24 would be delayed until 2024-25 and 2025-26.

HCAI proposes trailer bill language to revert expenditure authority approved in the 2022 Budget Act to the General Fund and express the intent of the Legislature to appropriate these amounts to HCAI in the 2024 Budget Act and 2025 Budget Act.

Health Care Workforce Investments Delays and Repayments			
Comprehensive Nursing Initiative			
2022-23	2023-24	2024-25	2025-26
\$ (15,000,000)	\$ (55,000,000)	\$ 35,000,000	\$ 35,000,000

Community Health Workers			
2022-23	2023-24	2024-25	2025-26
\$ -	\$ (130,000,000)	\$ 65,000,000	\$ 65,000,000
Social Work Initiative			
2022-23	2023-24	2024-25	2025-26
\$ (3,500,000)	\$ (48,400,000)	\$ 25,950,000	\$ 25,950,000
Addiction Psychiatry and Addiction Medicine Fellowships			
2022-23	2023-24	2024-25	2025-26
\$ (23,500,000)	\$ (25,000,000)	\$ 24,250,000	\$ 24,250,000
University and College Training Grants for Behavioral Health Professionals			
2022-23	2023-24	2024-25	2025-26
\$ (26,000,000)	\$ (25,000,000)	\$ 26,000,000	\$ 26,000,000
Expand Masters in Social Work Slots at Public Schools of Social Work			
2022-23	2023-24	2024-25	2025-26
\$ -	\$ (30,000,000)	\$ 15,000,000	\$ 15,000,000
Nursing in Song-Brown			
2022-23	2023-24	2024-25	2025-26
\$ -	\$ (15,000,000)	\$ 7,500,000	\$ 7,500,000

This issue was heard by the subcommittee during its hearing on March 2nd, 2023.

Subcommittee Staff Comment and Recommendation—Modify. Subcommittee staff recommends rejecting the Administration’s proposed delays to the following programs, using expenditure authority from the Mental Health Services Fund State Administration Account:

- Social Work Initiative
- Addiction Psychiatry and Addiction Medicine Fellowships
- University and College Training Grants for Behavioral Health Professionals

Subcommittee staff recommends rejecting the Administration’s delays to the following programs using General Fund expenditure authority:

- Comprehensive Nursing Initiative
- Expand Masters in Social Work Slots at Public Schools of Social Work
- Nursing in Song-Brown

Subcommittee staff recommends partially rejecting the Administration’s delays to the following program using General Fund expenditure authority as follows:

- Community Health Workers – \$37.4 million General Fund expenditure authority in 2023-24 to support the community health workers program. Allow delay of \$92.6 million General Fund expenditure authority scheduled for 2023-24 until 2024-25 (\$46.3 million) and 2025-26 (\$46.3 million).

Issue 22: CalRx Reproductive Health Drug Procurement

Budget Change Proposal – May Revision. HCAI requests transfer of \$2 million of General Fund expenditure authority, originally approved in the 2022 Budget Act for capital infrastructure security for reproductive health clinics, to instead support procurement of mifepristone or misoprostol through CalRx to ensure continued access to these drugs for Californians in need of safe and effective medication abortion.

This issue was heard by the subcommittee during its hearing on May 16th, 2023.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and adopt placeholder trailer bill language consistent with the Administration’s proposal. No concerns have been raised with this proposal.

Issue 23: CalRx Naloxone Initiative

Budget Change Proposal – May Revision. HCAI requests expenditure authority from the Opioid Settlements Fund of \$30 million in 2023-24. If approved, these resources would support development, manufacturing, or procurement of a low-cost naloxone nasal spray product through CalRx.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
3397 – Opioid Settlements Fund	\$30,000,000	\$120,000
Total Funding Request:	\$30,000,000	\$120,000
Total Requested Positions:	1.0	1.0

* Position and resources ongoing after 2024-25.

This issue was heard by the subcommittee during its hearing on May 16th, 2023.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 24: Reproductive Health Workforce - Pharmacists

Trailer Bill Language – May Revision. HCAI proposes trailer bill language to conform California law to new federal Food and Drug Administration (FDA) policy that permits pharmacists to dispense mifepristone. The change to the statute would allow HCAI to use existing reproductive health workforce funds to contract to train pharmacists to dispense mifepristone.

The Department of Finance provided this proposal to the subcommittee on May 17th, so it has not been heard in a subcommittee hearing. However, this is a technical change to statute.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

4170 CALIFORNIA DEPARTMENT OF AGING (CDA)**Issue 25: Modernizing the Older Californians Act**

Budget Solution – Governor’s Budget. The 2022 Budget Act included \$186 million general fund (\$59.3 million in 2022-23, \$86.9 million in 2023-24, and \$39.8 million in 2024-25) to restore supports and services for older adults that were reduced in the last recession. This included budget bill language authorizing the CDA to work with local Area Agencies on Aging to allocate the funding between the following: 1) senior nutrition programs, 2) family caregiver supports, 3) volunteer development programs, and 4) aging in place programs.

The Governor’s Budget proposes to spend this \$186 million investment over five years instead of three. This amounts to \$37.2 million in each of the five years.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 26: Master Plan for Aging, Phase III Infrastructure and Capacity

Budget Change Proposal – Governor’s Budget. CDA requests 10 positions and a General Fund augmentation of \$1.758 million in 2023-24 and \$1.728 million ongoing to support continued implementation of the Master Plan for Aging, with dedicated resources for data and information technology (IT) capacity, security, project management, and IT procurement and contracting expertise.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt Budget Bill Language that specifies how this investment will advance equity goals in the Master Plan for Aging.

Issue 27: Advancing Older Adult Behavioral Health

Budget Change Proposal—Governor’s May Revision. The California Department of Aging requests General Fund authority of \$20 million in 2023-24 and \$20 million in 2024-25, and \$10 million in 2025-26 to continue Master Plan for Aging work on behavioral health needs for older adults. Specifically, this request includes (1) \$30.3 million to local partners to continue local community older adult behavioral health capacity building, (2) \$15 million to allow for continued operation of a statewide Older Adult

Friendship Line (\$4.5 million) and an older adult behavioral health stigma reduction media campaign (\$10.5 million); and (3) \$4.7 million for state operations to provide support and oversight to local partners and fund three-year limited-term resources equivalent to 6.0 positions.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Approve \$30.302 million General Fund for local community capacity building for older adult behavioral health; approve \$4.5 million for the continuation of the Older Adult Friendship Line; approve \$4.7 million state operations; reject \$10.5 million for media and outreach campaign.

0530 CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY
4260 DEPARTMENT OF HEALTH CARE SERVICES
4150 DEPARTMENT OF MANAGED HEALTH CARE

Issue 28: 988 Suicide and Crisis Lifeline (AB 988)

Budget Change Proposal and Trailer Bill Language – Governor’s Budget. CalHHS, DMHC, and DHCS requests a total of 17.5 positions (7.5 for DMHC and ten for DHCS), and total expenditure authority of \$13.2 million (\$10.3 million 988 State Suicide and Behavioral Health Crisis Services Fund or 988 Fund, \$2.2 million Managed Care Fund, and \$773,000 federal funds) in 2023-24, \$16 million (\$13.2 million 988 Fund, \$2.1 million Managed Care Fund, and \$728,000 federal funds) in 2024-25, and \$16.3 million (\$13.2 million 988 Fund, \$2.3 million Managed Care Fund, and \$728,000 federal funds) annually thereafter. If approved, these positions and resources would support implementation of 988 Crisis Support, pursuant to the requirements of AB 988 (Bauer-Kahan), Chapter 747, Statutes of 2022.

Program Funding Request Summary - CalHHS		
Fund Source	2023-24	2024-25
3414 – 988 State Suicide and BH Crisis Services Fund	\$5,500,000	\$-
Total Funding Request:	\$5,500,000	\$-
Total Requested Positions:	0.0	0.0

Program Funding Request Summary - DMHC		
Fund Source	2023-24	2024-25*
0933 – Managed Care Fund	\$2,197,000	\$2,085,000
Total Funding Request:	\$2,197,000	\$2,085,000
Total Requested Positions:	7.5	7.5

* Additional fiscal year resources requested – 2025-26 and ongoing: \$2,302,000.

Program Funding Request Summary - DHCS		
Fund Source	2023-24	2024-25*
0890 – Federal Trust Fund	\$773,000	\$728,000

3414 – 988 State Suicide and BH Crisis Services Fund	\$4,773,000	\$13,228,000
Total Funding Request:	\$5,546,000	\$13,956,000
Total Requested Positions:	10.0	10.0

* Positions and resources ongoing after 2024-25.

Budget Change Proposal – May Revision. DHCS requests expenditure authority from the 988 State Suicide and Behavioral Health Crisis Services Fund of \$15 million in 2023-24. If approved, these resources would support eligible 988 behavioral health crisis services.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
3414 – 988 State Suicide and BH Crisis Svcs Fund	\$15,000,000	\$-
Total Funding Request:	\$15,000,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s April 20th and May 17th hearings.

Subcommittee Staff Comment and Recommendation— Approve as budgeted and reject trailer bill language. Subcommittee staff recommends approving the requested resources to implement AB 988, rejecting the Administration’s proposed changes to statute, and instructing the Administration to work with the author’s office to negotiate changes to this chaptered legislation.

4260 DEPARTMENT OF HEALTH CARE SERVICES

Issue 29: May 2023 Medi-Cal Local Assistance Estimate

Local Assistance Estimate – May Revision. The May 2023 Medi-Cal Local Assistance Estimate includes \$135.4 billion (\$30.9 billion General Fund, \$91.2 billion federal funds, and \$13.3 billion special funds and reimbursements) for expenditures in 2022-23, and \$151.2 billion (\$37.6 billion General Fund, \$90.5 billion federal funds, and \$23.1 billion special funds and reimbursements) for expenditures in 2023-24.

Medi-Cal Local Assistance Funding Summary			
Fiscal Year:	2022-22 (CY)	2023-24 (BY)	CY to BY
Benefits			
Fund Source	Revised	Proposed	Change
General Fund	\$29,491,225,000	\$35,770,521,000	\$6,279,296,000
Federal Funds	\$86,497,317,000	\$85,286,563,000	(\$1,210,754,000)
Special Funds/Reimbursements	\$13,142,601,000	\$22,945,415,000	\$9,802,814,000
Total Expenditures	\$129,131,143,000	\$144,002,499,000	\$14,871,356,000
County Administration			

Fund Source	Revised	Proposed	Change
General Fund	\$1,225,544,000	\$1,683,150,000	\$457,606,000
Federal Funds	\$4,384,623,000	\$4,758,803,000	\$374,180,000
Special Funds and Reimbursements	\$126,520,000	\$175,277,000	\$48,757,000
Total Expenditures	\$5,736,687,000	\$6,617,230,000	\$880,543,000
Fiscal Intermediary			
Fund Source	Revised	Proposed	Change
General Fund	\$179,357,000	\$157,076,000	(\$22,281,000)
Federal Funds	\$315,884,000	\$432,818,000	\$116,934,000
Special Funds and Reimbursements	\$0	\$0	\$0
Total Expenditures	\$495,241,000	\$589,894,000	\$94,653,000
TOTAL MEDI-CAL LOCAL ASSISTANCE EXPENDITURES			
Fund Source	Revised	Proposed	Change
General Fund	\$30,896,126,000	\$37,610,747,000	\$6,714,621,000
Federal Funds	\$91,197,824,000	\$90,478,184,000	(\$719,640,000)
Special Funds and Reimbursements	\$13,269,121,000	\$23,120,692,000	\$9,851,571,000
Total Expenditures	\$135,363,071,000	\$151,209,623,000	\$15,846,552,000

Caseload. In 2022-23, the May Revision assumes annual Medi-Cal caseload of 15.3 million, an increase of 0.3 percent compared to assumptions in the January budget. The department estimates 89 percent of Medi-Cal beneficiaries, or 13.6 million, will receive services through the managed care delivery system while 11.2 percent, or 1.7 million, will receive services through the fee-for-service delivery system.

In 2023-24, the May Revision assumes annual Medi-Cal caseload of 14.2 million, a decrease of 1.7 percent compared to assumptions in the January budget, and a decrease of 7.2 percent compared to the revised caseload estimate for 2022-23. The department estimates 93.7 percent of Medi-Cal beneficiaries, or 13.3 million, will receive services through the managed care delivery system while 6.3 percent, or 897,342, will receive services through the fee-for-service delivery system.

This issue was heard during the subcommittee's March 16th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve the balance of the technical adjustments to the Medi-Cal Local Assistance Estimate, as updated for the May Revision, with any changes necessary to conform to other actions that have been, or will be, taken.

Issue 30: May 2023 Family Health Local Assistance Estimate

Local Assistance Estimate – May Revision. The May 2023 Family Health Local Assistance Estimate includes \$238 million (\$197.1 million General Fund, \$5 million federal funds, and \$35.9 million special funds and reimbursements) for expenditures in 2022-23, and \$253.1 million (\$220 million General Fund,

\$5.5 million federal funds, and \$27.7 million special funds and reimbursements) for expenditures in 2023-24.

Family Health Local Assistance Funding Summary			
Fiscal Year:	2022-23 (CY)	2023-24 (BY)	CY to BY
<u>California Children's Services (CCS)</u>			
Fund Source	<i>Revised</i>	<i>Proposed</i>	<i>Change</i>
General Fund	\$78,195,000	\$83,133,000	\$4,938,000
Special Funds/Reimbursements	\$7,692,000	\$7,692,000	\$0
County Funds [non-add]	[\$82,590,000]	[\$86,365,000]	[\$3,775,000]
Total CCS Expenditures	\$85,887,000	\$90,825,000	\$4,938,000
<u>Genetically Handicapped Persons Program (GHPP)</u>			
Fund Source	<i>Revised</i>	<i>Proposed</i>	<i>Change</i>
General Fund	\$112,223,000	\$128,739,000	\$16,516,000
Special Funds and Reimbursements	\$8,312,000	\$393,000	(\$7,919,000)
Total GHPP Expenditures	\$120,535,000	\$129,132,000	\$8,597,000
<u>Every Woman Counts Program (EWC)</u>			
Fund Source	<i>Revised</i>	<i>Proposed</i>	<i>Change</i>
General Fund	\$6,726,000	\$8,079,000	\$1,353,000
Federal Funds	\$4,970,000	\$5,513,000	\$543,000
Special Funds and Reimbursements	\$19,913,000	\$19,598,000	(\$315,000)
Total EWC Expenditures	\$31,609,000	\$33,190,000	\$1,581,000
<u>TOTAL FAMILY HEALTH EXPENDITURES</u>			
Fund Source	<i>Revised</i>	<i>Proposed</i>	<i>Change</i>
General Fund	\$197,144,000	\$219,951,000	\$22,807,000
Federal Funds	\$4,970,000	\$5,513,000	\$543,000
Special Funds and Reimbursements	\$35,917,000	\$27,683,000	(\$8,234,000)
County Funds [non-add]	[\$82,590,000]	[\$86,365,000]	[\$7,988,000]
Total Family Health Expenditures	\$238,031,000	\$253,147,000	\$15,116,000

Background. The Family Health Estimate forecasts the current and budget year local assistance expenditures for three state-only funded programs that provide services for low-income children and adults with special health care needs who do not qualify for enrollment in the Medi-Cal program.

The programs included in the Family Health Estimate are:

- **California Children’s Services (CCS):** The CCS program, established in 1927, is one of the oldest public health care programs in the nation and is administered in partnership with county health departments. The CCS state-only program provides health care services to children up to age 21 who have a CCS-eligible condition such as: cystic fibrosis, hemophilia, cerebral palsy, heart disease, cancer or traumatic injury; and either do not qualify for full-scope Medi-Cal or whose families cannot afford the catastrophic health care costs for the child’s care. CCS costs for Medi-Cal eligible children are reflected in the Medi-Cal Local Assistance Estimate.

Caseload Estimate (Medi-Cal): The May Revision estimates Medi-Cal CCS caseload of 198,920 in 2022-23 and 188,521 in 2023-24.

Caseload Estimate (State-Only): The May Revision estimates state-only CCS caseload of 9,682 in 2022-23 and 12,134 in 2023-24.

- **Genetically Handicapped Persons Program (GHPP):** The GHPP program, established in 1975, provides medically necessary services and administrative case management for individuals age 21 and over with a GHPP-eligible condition such as cystic fibrosis, hemophilia, sickle cell, Huntington’s, or metabolic diseases. The GHPP state-only program is for those individuals who do not qualify for full-scope Medi-Cal. GHPP costs for Medi-Cal eligible individuals are reflected in the Medi-Cal Local Assistance Estimate

Caseload Estimate (Medi-Cal): The May Revision estimates Medi-Cal GHPP caseload of 944 in 2022-23 and 936 in 2023-24.

Caseload Estimate (State-Only): The May Revision estimates state-only GHPP caseload of 668 in 2022-23 and 674 in 2023-24.

- **Every Woman Counts (EWC) Program:** The EWC program provides free breast and cervical cancer screening and diagnostic services to uninsured and underinsured women who do not qualify for Medi-Cal. Women diagnosed with breast or cervical cancer may be referred to the Breast and Cervical Cancer Treatment Program (BCCTP).

Caseload Estimate: The May Revision estimates EWC caseload of 19,835 in 2022-23, and 20,561 in 2023-24.

This issue was heard during the subcommittee’s March 16th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve the balance of the technical adjustments to the Family Health Estimate, as updated for the May Revision, with any changes necessary to conform to other actions that have been, or will be, taken.

Issue 31: Post Eligibility Treatment of Income – Trailer Bill Language

Trailer Bill Language – Governor’s Budget. DHCS requests trailer bill language to align state law with federal guidelines regarding Medi-Cal eligibility cost-sharing provisions for individuals subject to post-eligibility treatment of income and spend-down of excess income.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 32: Whole Child Model – Trailer Bill Language

Trailer Bill Language– Governor’s Budget. DHCS proposes trailer bill language to expand the Whole Child Model for California Children’s Services (CCS) to the 15 counties converting to County Organized Health System or Single Plan models, and to mandatorily enroll foster children in Single Plan counties in the Whole Child Model.

Trailer Bill Language Update – May Revision. DHCS requests to update its trailer bill language proposal, included in the January budget, to expand the Whole Child Model (WCM) for California Children’s Services (CCS) beneficiaries, to only expand to County Organized Health System counties. The updated language would not expand to Single Plan Counties, such as Alameda, Contra Costa, and Imperial Counties.

This issue was heard during the subcommittee’s March 16th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Reject. The evaluation conducted of the Whole Child Model pilot identified significant challenges for CCS beneficiaries enrolled in pilot counties, including reduced overall enrollment and issues accessing specialty care. While some metrics on access to primary care and behavioral health services improved relative to fee-for-services counties, these metrics are not as important as ensuring children with CCS-eligible conditions are having their needs met for care related to their condition. These results suggest expansion of the Whole Child Model pilot is certainly not warranted and the department should strongly consider re-evaluating its service delivery system for CCS-eligible children in the existing pilot counties.

Issue 33: Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT)

Local Assistance – Governor’s Budget. DHCS requests expenditure authority of \$5.7 million (\$311,000 General Fund, \$3.5 million federal funds, and \$1.8 million county funds) in 2023-24, growing to \$1.9 billion (\$49.4 million General Fund, \$1.2 billion federal funds, \$50 million Mental Health Services Fund, and \$674.7 million county funds) by 2027-28. Over the five years of the demonstration, expenditure authority for DHCS would total \$6 billion (\$180.5 million General Fund, \$3.5 billion federal funds, \$175 million Mental Health Services Fund, and \$2.1 billion county funds). If approved, these resources would support the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT), previously known as the California Behavioral Health Community-Based Continuum Demonstration, to expand access and strengthen the continuum of mental health services for Medi-Cal beneficiaries living with serious mental illness and serious emotional disturbance.

Program Funding Request Summary – Local Assistance		
Fund Source	2023-24	Five Year Total
0001 – General Fund	\$311,000	\$180,491,000

0890 – Federal Trust Fund	\$3,532,000	\$3,497,034,000
3085 – Mental Health Services Fund	\$-	\$175,000,000
3420 – Medi-Cal County Behavioral Health Fund	\$1,808,000	\$2,102,300,000
Total Funding Request:	\$5,651,000	\$5,954,825,000

Local Assistance – May Revision. DHCS requests updates to expenditure authority for the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) over five years, as follows:

- General Fund – increased expenditure authority of \$4.5 million
- Federal Funds – increased expenditure authority of \$104.1 million
- Mental Health Services Fund – decreased expenditure authority of \$87.5 million.

This issue was heard during the subcommittee’s April 20th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with these proposals.

Issue 34: Budget Solution – Delay Behavioral Health Continuum Infrastructure and Bridge Housing

Budget Solution – Governor’s Budget. DHCS requests to delay implementation of previously approved funding for the Behavioral Health Continuum Infrastructure Program and Behavioral Health Bridge Housing.

Local Assistance – May Revision. In the May Revision, DHCS requests expenditure authority from the Mental Health Services Fund of \$500 million and a reduction of General Fund expenditure authority of \$250 million. If approved, these funding changes would allow DHCS to withdraw its January budget proposal to delay funding and implementation for Behavioral Health Bridge Housing.

This issue was heard during the subcommittee’s April 20th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Modify as follows:

- 1) **BHCIP Delay - Approve delay as budgeted.**
- 2) **Behavioral Health Bridge Housing – Modify** to allow \$250 million of expenditure authority from the Mental Health Services Fund to replace the 2023-24 General Fund allocation for Behavioral Health Bridge Housing, but reject the use of an additional \$250 million of Mental Health Services Fund, allowing the one-year delay proposed in the January budget to occur.

While the state is currently experiencing a shortage of behavioral health infrastructure, the previous five rounds of the Behavioral Health Continuum Infrastructure Program have resulted in the investment of \$1.2 billion to date, with another \$480 million expected to be awarded in 2023. In addition to the resources invested through BHCIP, \$1.2 billion is expected to be awarded for the Behavioral Health Bridge Housing program through 2023-24. While the need for this vital

infrastructure is acute, these projects often require significant needs analysis and navigation of local planning processes well in advance of beginning construction or acquisition of a behavioral health facility. Delay of the last rounds of funding for these two programs may allow for a more thoughtful approach to addressing gaps in the behavioral health continuum, as well as acquiring necessary resources and engaging with the community.

Subcommittee staff recommends utilizing the additional \$250 million Mental Health Services Fund to restore behavioral health workforce programs proposed for delay in the January budget, as well as allocating approximately \$100 million to support new and expand existing partnerships between county behavioral health departments and schools under the Mental Health Student Services Act. (see related issues under HCAI and MHSOAC)

Issue 35: CalAIM Behavioral Health Payment Reform

Local Assistance and Trailer Bill Language – Governor’s Budget. DHCS requests General Fund expenditure authority of \$45.4 million in 2022-23 and \$19.5 million in 2023-24. If approved, these resources would allow DHCS to support county implementation of Behavioral Health Payment Reform system changes as part of the California Advancing and Innovating Medi-Cal (CalAIM) initiative. DHCS also requests General Fund expenditure authority of \$375 million in 2023-24 and proposes trailer bill language to authorize transition of county behavioral health plans from a certified public expenditure (CPE) protocol to intergovernmental transfers (IGTs), and to establish the Medi-Cal County Behavioral Health Fund to receive IGTs from counties to serve as the non-federal share of Medi-Cal behavioral health services.

Program Funding Request Summary – BH-QIP System Changes		
Fund Source	2022-23	2023-24
0001 – General Fund	\$45,396,000	\$19,456,000
Total Funding Request:	\$45,396,000	\$19,456,000
Total Requested Positions:	0.0	0.0

Program Funding Request Summary – Transfer to Medi-Cal County Behavioral Health Fund		
Fund Source	2022-23	2023-24
0001 – General Fund	\$-	\$375,000,000
Total Funding Request:	\$-	\$375,000,000
Total Requested Positions:	0.0	0.0

Trailer Bill Language Update – May Revision. DHCS proposes amendments to its January budget trailer bill language proposal to implement behavioral health payment reform. In particular, these amendments would authorize DHCS, rather than the Department of Finance, to submit the offset and transfer schedule to the Controller, to transfer certain funds into the Medi-Cal County Behavioral Health Fund, and govern the process of providing the schedule to the Controller.

This issue was heard during the subcommittee’s April 20th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Modify and adopt placeholder trailer bill language. Subcommittee staff recommends approving as budgeted the requested resources to implement Behavioral Health Payment Reform system changes, and the transfer of \$375 million from the General Fund to the Medi-Cal County Behavioral Health Fund to address cashflow challenges at the outset of the new intergovernmental transfer structure. However, subcommittee staff also recommends requiring county behavioral health departments to repay the state’s General Fund investment within the 2023-24 fiscal year. Subcommittee staff also recommends adopting placeholder trailer bill language consistent with the Administration’s trailer bill proposal, as updated at May Revision.

Issue 36: Specialty Mental Health Services – Foster Youth Presumptive Transfer (AB 1051)

Budget Change Proposal – Governor’s Budget. DHCS requests five positions and expenditure authority of \$764,000 (\$382,000 General Fund and \$382,000 federal funds) in 2023-24 and \$719,000 (\$360,000 General Fund and \$359,000 federal funds) annually thereafter. If approved, these positions and resources would support assistance to foster children placed outside of their county of original jurisdiction to access specialty mental health services, consistent with the requirements of AB 1051 (Bennett), Chapter 402, Statutes of 2022.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$382,000	\$360,000
0890 – Federal Trust Fund	\$382,000	\$359,000
Total Funding Request:	\$764,000	\$719,000
Total Requested Positions:	2.0	2.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Modify. As the author and sponsors of AB 1051 are currently requesting a one-year delay of implementation of this bill, as reflected in AB 551 (Bennett), subcommittee staff recommend modifying this proposal to account for this delay and adopting modified placeholder trailer bill language to implement the one-year delay proposed in AB 551.

Issue 37: Children’s Psychiatric Treatment Facilities (AB 2317)

Budget Change Proposal and Trailer Bill Language – Governor’s Budget. DHCS requests 15 positions and expenditure authority of \$2.6 million (\$1.2 million General Fund and \$1.3 million federal funds) in 2023-24 and \$2.6 million (\$1.3 million General Fund and \$1.4 million federal funds) annually thereafter. If approved, these positions and resources would support establishment and oversight of a new licensing category, a Psychiatric Residential Treatment Facility, pursuant to the requirements of AB 2317 (Ramos), Chapter 589, Statutes of 2022. DHCS also proposes trailer bill language to align interdisciplinary team member requirements with federal statutes and other technical changes.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*

0001 – General Fund	\$1,223,000	\$1,262,000
0890 – Federal Trust Fund	\$1,342,000	\$1,377,000
Total Funding Request:	\$2,565,000	\$2,639,000
Total Requested Positions:	15.0	15.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and reject trailer bill language. Subcommittee staff recommends approving the requested resources to implement AB 2317, rejecting the Administration’s proposed changes to statute, and instructing the Administration to work with the author’s office to negotiate changes to this chaptered legislation.

Issue 38: Strengthening Oversight for Substance Use Disorder Licensing and Certification

Budget Change Proposal and Trailer Bill Language – Governor’s Budget. DHCS requests 12 positions and expenditure authority from the Residential Outpatient Licensing Fund (ROPLF) of \$2 million in 2023-24 and \$1.9 million annually thereafter. If approved, these positions and resources would support strengthening compliance and oversight, as well as establishing mandatory certification for outpatient substance use disorder programs. DHCS also proposes trailer bill language to implement these provisions and authorize an increase in the ROPLF fee to support this new workload.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
3113 – Residential Outpatient Program Licensing Fund	\$2,012,000	\$1,904,000
Total Funding Request:	\$2,012,000	\$1,904,000
Total Requested Positions:	12.0	12.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and adopt modified placeholder trailer bill language consistent with the Administration’s proposal, but phasing in the fee increase no more than 20 percent per year, and adjusted for inflation after fully phased-in.

Issue 39: Opioid Settlements Fund State Directed Programs

Budget Change Proposal – Governor’s Budget. DHCS requests expenditure authority from the Opioid Settlements Fund of \$32 million in 2023-24, \$23 million in 2024-25, and \$12 million in 2025-26 and 2026-27. If approved, these resources would support the Naloxone Distribution Project.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
3397 – Opioid Settlements Fund	\$32,000,000	\$23,000,000
Total Funding Request:	\$32,000,000	\$23,000,000

Total Requested Positions:	0.0	0.0
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* Additional fiscal year resources requested – 2025-26: \$12,000,000, 2026-27: \$12,000,000.

Budget Change Proposal – May Revision. DHCS requests expenditure authority from the Opioid Settlements Fund of \$58 million in 2023-24, \$28 million in 2024-25 and 2025-26, and \$27.3 million in 2026-27. If approved, these resources would support expansion of the Naloxone Distribution Project.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
3397 – Opioid Settlements Fund	\$58,000,000	\$28,000,000
Total Funding Request:	\$58,000,000	\$28,00,000
Total Requested Positions:	0.0	0.0

* Additional fiscal year resources requested – 2025-26: \$28,000,000; 2026-27: \$27,317,000.

This issue was heard during the subcommittee’s April 20th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Modify. Subcommittee staff recommends reducing the allocation of expenditure authority from the Opioid Settlements Fund of \$15.3 million annually over four years, and reallocating to the Department of Public Health 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. (*see related issue under DPH*). Subcommittee staff also recommends adopting modified placeholder budget bill language authorizing the Department of Finance to augment this item by \$15.3 million for the Naloxone Distribution Project if sufficient resources are available in the Opioid Settlements Fund to support this additional expenditure.

Issue 40: Drug Medi-Cal Claiming Timelines

Trailer Bill Language – Governor’s Budget. DHCS proposes trailer bill language to extend the claiming timeline for Drug Medi-Cal services from six months to twelve months to create parity and be consistent with timelines for Medi-Cal fee-for-service, specialty mental health services, and federal regulations.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 41: CalAIM – Designated State Health Programs and Delay Facility Carve-ins

Trailer Bill Language – Governor’s Budget. DHCS proposes trailer bill language to increase Medi-Cal reimbursement rates for primary care and obstetric services, consistent with the terms and conditions of the CalAIM 1115 Waiver related to designated state health programs, and to delay the integration of intermediate care facilities for individuals with developmental disabilities and subacute facilities into the managed care delivery system under CalAIM’s long-term care integration component.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal and consistent with additional rate adjustments adopted by the Legislature as part of the Managed Care Organization tax proposal.

Issue 42: Local Educational Agency Medi-Cal Billing Option Program Withhold Return

Budget Change Proposal – Governor’s Budget. DHCS requests expenditure authority from the Special Deposit Fund of \$7.5 million in 2023-24. If approved, these resources would allow DHCS to reimburse local educational agencies for excess administrative withholds associated with the Local Educational Agency Medi-Cal Billing Option Program (LEA BOP).

Program Funding Request Summary – Local Assistance		
Fund Source	2023-24	2024-25
0942 – Special Deposit Fund	\$7,450,000	\$-
Total Funding Request:	\$7,450,000	\$-

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 43: Medical Provider Interim Payment Loan Authority

Trailer Bill Language – Governor’s Budget. DHCS proposes trailer bill language to set the Medical Provider Interim Payment Loan Authority amount at ten percent of the amount appropriated from the General Fund and six percent of the amount appropriated from the Federal Trust Fund for Medi-Cal benefit costs in the most recent Budget Act.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 44: Nursing Facility Financing Reform

Budget Change Proposal – April Finance Letter. DHCS requests two positions and expenditure authority of \$1.3 million (\$666,000 General Fund and \$666,000 federal funds) in 2023-24 and \$1.3 million (\$657,000 General Fund and \$657,000 federal funds) annually thereafter. If approved, these positions and resources would support skilled nursing facility financing programs authorized by AB 186 (Committee on Budget), Chapter 46, Statutes of 2022.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*

0001 – General Fund	\$666,000	\$657,000
0890 – Federal Trust Fund	\$666,000	\$657,000
Total Funding Request:	\$1,332,000	\$1,314,000
Total Requested Positions:	2.0	2.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 45: PACE Monitoring and Program Operations

Budget Change Proposal – Governor’s Budget. DHCS requests ten positions and expenditure authority of \$1.7 million (\$713,000 General Fund and \$965,000 federal funds) in 2023-24 and \$1.6 million (\$674,000 General Fund and \$914,000 federal funds) annually thereafter. If approved, these positions and resources would support administration, operation, monitoring, and oversight of Programs of All Inclusive Care for the Elderly (PACE).

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$713,000	\$674,000
0890 – Federal Trust Fund	\$965,000	\$914,000
Total Funding Request:	\$1,678,000	\$1,588,000
Total Requested Positions:	10.0	10.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 46: Program Workload

Budget Change Proposal – Governor’s Budget. DHCS requests 19 positions and expenditure authority of \$3.8 million (\$1.9 million General Fund and \$1.9 million federal funds) in 2023-24, \$3.7 million (\$1.8 million General Fund and \$1.8 million federal funds) in 2024-25 through 2027-28, and \$3 million (\$1.5 million General Fund and \$1.5 million federal funds) annually thereafter. If approved, these positions and resources would support ongoing workload for the following DHCS programs:

- Medi-Cal Health Enrollment Navigators Project
- Strengthening Preventive Services for Children in Medi-Cal
- Short-Term Residential Therapeutic Program (STRTP) Mental Health Program Approval, Oversight, and Monitoring
- Administration

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$1,904,000	\$1,827,000
0890 – Federal Trust Fund	\$1,904,000	\$1,827,000
Total Funding Request:	\$3,807,000	\$3,654,000
Total Requested Positions:	19.0	19.0

* Additional fiscal year resources requested – 2025-26 through 2027-28: \$3,654,000, 2027-28 and ongoing: \$2,959,000.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 47: Delay Two-Week Checkwrite Hold Buyback

Local Assistance and Budget Solution – Governor’s Budget. DHCS requests to delay elimination of the practice of withholding provider reimbursement checkwrites during the last two weeks of the fiscal year, authorized by the 2022 Budget Act, until 2024-25. DHCS estimates total savings of \$1.1 billion (\$378 million General Fund) in 2022-23 from this proposed delay.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 48: Conform Statutory Estimate Requirements to Recent Program Changes

Trailer Bill Language – Governor’s Budget. DHCS proposes trailer bill language to conform the requirements for the semi-annual Medi-Cal Local Assistance Estimate and scheduling of Medi-Cal programs in the annual Budget Act with recent changes to the Medi-Cal program.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Adopt modified placeholder trailer bill language consistent with the Administration’s proposal, but requiring fee-for-service rates to continue to be displayed separately in the Medi-Cal Local Assistance Estimate.

Issue 49: Newborn Hospital Gateway

Trailer Bill Language – Governor’s Budget. DHCS proposes trailer bill language to require all Medi-Cal providers participating in presumptive eligibility programs to report the births of any Medi-Cal eligible infant born in their facilities, including hospitals and birthing centers or other birthing settings, within 24 hours after birth through the Newborn Hospital Gateway.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Adopt modified placeholder trailer bill language consistent with the Administration’s proposal, but allowing facilities to report 72 hours after birth or one business day after discharge, as well as other technical changes.

Issue 50: Acute Inpatient Intensive Rehabilitation Services

Trailer Bill Language – Governor’s Budget. DHCS proposes trailer bill language to eliminate statutory provisions requiring initial evaluation and trial programs for acute inpatient intensive rehabilitation services, consistent with evidence-based practice and Medicare policy.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 51: Medi-Cal Enterprise System Modernization

Budget Change Proposal – Governor’s Budget. DHCS and the Office of the Agency Information Officer request eight total positions and expenditure authority of \$7.8 million (\$1.4 million General Fund and \$6.4 million federal funds) in 2023-24, \$4.5 million (\$716,000 General Fund and \$3.8 million federal funds) in 2024-25 and \$1.6 million (\$337,000 General Fund and \$1.2 million federal funds) annually thereafter. If approved, these positions and resources would support ongoing modernization efforts for the Medi-Cal Enterprise System, including the following projects: 1) Behavioral Health Modernization, 2) Federal Draw and Reporting System, 3) California Accounts Receivable Management, and 4) Medi-Cal Enterprise System Modernization Strategy and Architecture Planning.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$1,379,000	\$716,000
0890 – Federal Trust Fund	\$6,418,000	\$3,793,000
Total Funding Request:	\$7,797,000	\$4,509,000
Total Requested Positions:	8.0	8.0

* Additional fiscal year resources requested – 2025-26 and ongoing: \$1,580,000.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 52: Interoperability Federal Rule Implementation

Budget Change Proposal – April Finance Letter. DHCS requests expenditure authority of \$1.5 million (\$148,000 General Fund and \$1.3 million federal funds) in 2023-24 and 2024-25. If approved, these

positions and resources would support implementation and additional planning for new interoperability rules required by the federal Centers for Medicare and Medicaid Services (CMS).

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$148,000	\$148,000
0890 – Federal Trust Fund	\$1,335,000	\$1,335,000
Total Funding Request:	\$1,483,000	\$1,483,000
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 53: Doula Services Implementation Evaluation

Trailer Bill Language – May Revision. DHCS requests trailer bill language to align workgroup timelines for examination of implementation of the doula benefit in Medi-Cal with an anticipated one-year delay in implementation of the benefit.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 54: Medical Interpreters Pilot Project - Extension

Trailer Bill Language – May Revision. DHCS requests trailer bill language to extend availability of funding and extend the sunset date for the Medical Interpreter Pilot Project (MIPP), a pilot project for interpretation services in the Medi-Cal program, pursuant to SB 635 (Atkins), Chapter 600, Statutes of 2016.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 55: Long-Term Care Facilities Rate Year Shift

Trailer Bill Language – May Revision. DHCS requests trailer bill language to shift reimbursement for certain long-term care facilities from a rate year that begins in August to a calendar year rate year, beginning January 1, 2024.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 56: Assisted Living Waiver Expansion Permanent Workload

Budget Change Proposal – May Revision. DHCS requests 15 positions and expenditure authority of \$933,000 (\$308,000 General Fund and \$625,000 federal funds) in 2023-24 and \$2.3 million (\$772,000 General Fund and \$1.6 million federal funds) annually thereafter. If approved, these positions and resources would support administrative, operational, and monitoring and oversight needs for the expansion of the Assisted Living Waiver Program.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$308,000	\$772,000
0890 – Federal Trust Fund	\$625,000	\$1,566,000
Total Funding Request:	\$933,000	\$2,338,000
Total Requested Positions:	15.0	15.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 57: Control Section 4.05 Adjustment, Budget Act of 2021

Technical Adjustment – May Revision. DHCS requests a net-zero shift of expenditure authority from federal funds to the Special Deposit Fund of \$650,000, associated with Control Section 4.05 of the 2021 Budget Act. Control Section 4.05 allows items of appropriation provided outside of the Budget Act to be adjusted to reflect net savings achieved through operational efficiencies and other cost-reduction measures.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 58: Dental Procurement

Budget Change Proposal – Governor’s Budget. DHCS requests six positions (conversion of four limited-term to permanent and two new positions) and expenditure authority of \$1.8 million (\$443,000 General Fund and \$1.3 million federal funds) in 2023-24 and \$1.7 million (\$438,000 General Fund and \$1.3 million federal funds) annually thereafter. If approved, these positions and resources would support

a procurement effort, contract transition, and other workload to secure a new Fiscal Intermediary Dental Information Technology Maintenance and Operations contract in support of dental services for Medi-Cal.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$443,000	\$438,000
0890 – Federal Trust Fund	\$1,323,000	\$1,310,000
Total Funding Request:	\$1,766,000	\$1,748,000
Total Requested Positions:	6.0	6.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 59: Fund Source Change for CalHOPE

Local Assistance – May Revision. DHCS requests expenditure authority from the Mental Health Services Fund of \$50.5 million and a reduction of General Fund expenditure authority of \$40 million in 2023-24. If approved, these changes would shift funding for CalHOPE from General Fund to Mental Health Services Fund.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Modify. Subcommittee staff recommends rejecting the shift of funding for CalHOPE to Mental Health Services Fund, but instead reallocating \$50.5 million of the \$355 million General Fund authority supporting the Behavioral Health Services and Supports Platform to support CalHOPE. Subcommittee staff also recommends adopting modified placeholder trailer bill language to require the department to report data on the impact of CalHOPE since its implementation during the pandemic.

Issue 60: Behavioral Health Modernization

Budget Change Proposal – May Revision. DHCS requests expenditure authority of \$40 million (\$20 million General Fund and \$20 million federal funds) in 2023-24. If approved, these resources would support modernization of the behavioral health system, consistent with reform to the Mental Health Services Act proposed by the Governor.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$20,000,000	\$-
0890 – Federal Trust Fund	\$20,000,000	\$-
Total Funding Request:	\$40,000,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Reject. Subcommittee staff recommends rejecting these proposed resources. Because the Behavioral Health Modernization proposal has not yet been approved by the Legislature, and the resulting initiative would not be put before the voters until November 2024, approval of these resources is premature.

Issue 61: Children and Youth BH Initiative – Fee Schedule Third Party Administrator

Local Assistance – May Revision. DHCS requests General Fund expenditure authority of \$10 million in 2023-24 to create statewide infrastructure for provider management and to manage billing for behavioral health services furnished to student under the Children and Youth Behavioral Health Initiative statewide fee schedule.

Program Funding Request Summary – Local Assistance		
Fund Source	2023-24	2024-25
0001 – General Fund	\$10,000,000	\$-
Total Funding Request:	\$10,000,000	\$-

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Modify. Subcommittee staff recommends approving the Administration’s proposal, but utilizing expenditure authority from the Managed Care Fund, rather than the General Fund, under an interagency agreement with the Department of Managed Health Care.

Issue 62: Los Angeles County CARE Court Start-Up Funding

Budget Bill Language – May Revision. DHCS requests budget bill language to authorize the use of \$15 million of existing General Fund expenditure authority to support Los Angeles County planning and preparation to implement the Community Assistance, Recovery, and Empowerment (CARE) Act.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 63: Contingency Management Pilot Extension

Budget Change Proposal – May Revision. DHCS requests 11 positions and expenditure authority of \$1.5 million (\$755,000 General Fund and \$755,000 federal funds) in 2023-24, \$5 million (\$2.5 million General Fund and \$2.5 million federal funds) in 2024-25 and 2025-26, \$3.8 million (\$1.9 million General Fund and \$1.9 million federal funds) in 2026-27, and \$2.2 million (\$1.1 million General Fund and \$1.1

million federal funds) in 2027-28. If approved, these positions and resources would support conversion of the contingency management program from a pilot project to a waiver demonstration benefit.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$755,000	\$2,475,000
0890 – Federal Trust Fund	\$755,000	\$2,475,000
Total Funding Request:	\$1,510,000	\$4,950,000
Total Requested Positions:	11.0	11.0

* Additional fiscal year resources requested – 2025-26: \$4,9750,000; 2026-27: \$3,815,000; 2027-28: \$2,180,000.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 64: Virtual Services in Driving Under the Influence Programs

Trailer Bill Language – May Revision. DHCS proposes trailer bill language to clarify its authority to regulate Driving Under the Influence programs that offer services virtually.

This issue was heard during the subcommittee’s May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 65: Managed Care Organization Tax and Provider Rate Increases

Local Assistance and Trailer Bill Language – May Revision. DHCS proposes trailer bill language to implement a multi-year tax on managed care organizations (MCO) beginning April 1, 2023, through December 31, 2026. If approved, the tax would provide net General Fund benefit of \$4.4 billion in 2023-24, \$5.1 billion in 2024-25, \$5.3 billion in 2025-26, and \$4.6 billion in 2026-27 to: 1) support the General Fund shortfall and achieve a balanced budget, 2) support Medi-Cal investments to ensure access, quality and equity over an eight to ten year period.

In addition, DHCS requests expenditure authority of \$214.7 million (\$89.6 million General Fund and \$125.1 million federal funds) and proposes trailer bill language to increase provider rates to 87.5 percent of the rate paid by the Medicare program, beginning January 1, 2024, for the following provider types: 1) primary care services and nonphysician professional services, 2) obstetric care services, and 3) outpatient, non-specialty mental health services.

MCO Tax Renewal – Cash Basis by Fiscal Year					
<i>(dollars in thousands)</i>	2023-24	2024-25	2025-26	2026-27	Total
Total Revenue¹	\$8,269,212	\$8,526,680	\$8,761,784	\$6,703,584	\$32,261,260
Medi-Cal Capitation Rates²	\$3,859,656	\$3,414,943	\$3,507,447	\$2,077,488	\$12,859,534

State's Net Benefit³	\$4,409,556	\$5,111,737	\$5,254,337	\$4,626,096	\$19,401,726
General Fund Backfill⁴	\$3,388,600	\$1,857,914	\$2,019,341	\$1,050,027	\$8,315,882
Proposed Rate Increases⁵	\$98,232	\$240,140	\$240,639	\$240,639	\$819,650
Medi-Cal Provider Payment Reserve Fund⁶	\$922,724	\$3,013,683	\$2,994,357	\$3,335,430	\$10,266,194

1 – Total Revenue is the total amount of revenue received by the state from the tax on managed care organizations.

2 – Medi-Cal Capitation Rates is the amount paid to Medi-Cal managed care plans in their capitation rates to account for the amount of tax paid to the state. Federal regulations require capitation payments to be actuarial sound and include the cost of taxes.

3 – State's Net Benefit is the amount of revenue received by the state, net of capitation payments paid to managed care plans.

4 – General Fund Backfill is the amount that addresses the General Fund shortfall in 2023-24 and subsequent years.

5 – Proposed Rate Increases include the increase to 87.5 percent of Medicare for primary care, obstetrics and non-specialty mental health

6 – Medi-Cal Provider Payment Reserve Fund would receive deposits of the remaining MCO tax revenue for future allocation to provider payments, according to the Administration's proposal.

This issue was heard during the subcommittee's May 23rd hearing.

Subcommittee Staff Comment and Recommendation—Modify. Subcommittee staff recommends adopting placeholder trailer bill language consistent with the Administration's proposed tax on managed care organizations, but adopting modified placeholder trailer bill language regarding expenditure of tax proceeds on investments in the Medi-Cal program, as follows:

- **Expenditure Timeframe.** Subcommittee staff recommends modifying the trailer bill language to expend the available funding of \$10.3 billion over the course of the tax period, until December 31, 2026, rather than the eight to ten years proposed by the Administration.
- **Categories of Expenditure.** Subcommittee staff recommends modifying the trailer bill language to, in addition to the investments proposed by the Administration for reimbursement rate increases for primary care, obstetrics, and non-specialty mental health, provide for additional Medi-Cal investments in the following categories:
 - Primary care reimbursement rates
 - Specialty care reimbursement rates
 - Community health workers
 - Family planning and women's health
 - Access to abortion services
 - Clinic quality improvement and access
 - Ground emergency transfers
 - Emergency department access
 - Inpatient psychiatric bed capacity
 - Same day visits for community clinics
 - Graduate medical education
 - Allied loan repayment
 - Medi-Cal workforce
 - Loan repayment through the CalHealthCares program

- Elimination of the trigger for continuous coverage for children zero to five adopted in the 2022 Budget Act
 - Elimination of the trigger for share of cost reform adopted in the 2022 Budget Act
 - Various investments in mental health
 - Reimbursement rate increases for: 1) private duty nursing, 2) pediatric day health centers, 3) air ambulance providers, 4) community-based adult services (CBAS) centers, 5) non-emergency medical transportation (NEMT) providers.
- **Workforce Issues.** Subcommittee staff recommends modifying the trailer bill language to address workforce issues.

Issue 66: Pediatric Subacute Facilities

Legislative Proposal. Totally Kids Sun Valley and the California Association of Health Facilities (CAHF) request expenditure authority of \$2.2 million (\$1.1 million General Fund and \$1.1 million federal funds) in 2023-24 and \$454,000 (\$227,000 General Fund and \$227,000 federal funds) in 2024-25 to include free-standing pediatric subacute facilities in the current Medi-Cal rate “hold harmless” statutory language. According to the advocates, these facilities were not included in the current statute, but should be treated the same as other homes and facilities and have assurance their Medi-Cal rates do not fall below current levels with the ending of the public health emergency.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$1,100,000	\$227,000
0890 – Federal Trust Fund	\$1,100,000	\$227,000
Total Funding Request:	\$2,200,000	\$454,000
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve Legislative Proposal.

Issue 67: Let California Kids Hear – Hearing Aids for Children

Legislative Proposal. Let California Kids Hear and Children Now request General Fund expenditure authority of \$3.5 million in 2023-24 and \$3.4 million annually thereafter, and placeholder trailer bill language, to support a requirement that health care service plans or health insurance policies include coverage for hearing aids for enrollees or insureds under 21 years of age.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$3,500,000	\$3,400,000
Total Funding Request:	\$3,500,000	\$3,400,000
Total Requested Positions:	0.0	0.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s April 20th hearing.

Subcommittee Staff Comment and Recommendation—Approve Legislative Proposal and adopt modified placeholder trailer bill language. The Administration’s Hearing Aid Coverage for Children Program (HACCP) was implemented to replace the benefit mandate included in AB 598 (Bloom), approved by the Legislature in 2019. Instead of requiring health plans to cover hearing aids for children, the Administration proposed to implement a similar program utilizing the Medi-Cal delivery system. However, despite several attempts by the Legislature to improve this program, the HACCP has failed to deliver an adequate hearing aid benefit to California’s children. As a result, subcommittee staff recommend eliminating the HACCP effective January 1, 2024, and replacing it with the benefit mandate originally imposed by AB 598. As this mandate would incur costs with Covered California for the additional impacts of the mandate on exchange coverage, subcommittee staff recommends approval of General Fund expenditure authority of \$3.5 million in 2023-24 and \$3.4 million annually thereafter to support these costs.

Issue 68: Comprehensive Perinatal Services Program – 12 Month Postpartum Extension

Legislative Proposal. Maternal and Child Health Access, the March of Dimes, and the Children’s Partnership request expenditure authority of \$7.5 million (\$2.4 million General Fund and \$5.1 million federal funds) annually to extend the Comprehensive Perinatal Services Program (CPSP) benefit from 60 to 365 days postpartum and to reimburse for Comprehensive Perinatal Health Workers (CPHWs) services when rendered in the community instead of only at a medical facility during pregnancy or the postpartum period.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$2,400,000	\$2,400,000
0890 – Federal Trust Fund	\$5,100,000	\$5,100,000
Total Funding Request:	\$7,400,000	\$7,400,000
Total Requested Positions:	0.0	0.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve Legislative Proposal.

Issue 69: Asset Limit Elimination Cleanup

Legislative Proposal. The 2021 Budget Act included expenditure authority of \$394 million (\$197 million General Fund and \$197 million federal funds) annually beginning in 2022-23, and the Legislature approved trailer bill language, to increase the Medi-Cal asset limit to \$130,000 for an individual (plus \$65,000 for each additional household member) no sooner than July 1, 2022, and to fully eliminate the asset limit no sooner than January 1, 2024. However, the 2021 Budget Act trailer bill language did not fully eliminate references to the asset limit in statute. As a result, cleanup trailer bill language is necessary

to make those necessary changes to statute, effective January 1, 2024, when the complete elimination of the asset limit takes effect.

Subcommittee Staff Comment and Recommendation—Approve Legislative Proposal and adopt modified placeholder trailer bill language consistent with the proposal.

Issue 70: Supplemental Reporting Language – Medi-Cal Coverage of Diapers and Period Products

Supplemental Reporting Language. The subcommittee proposes supplemental reporting language for DHCS to provide information on the following:

- 1115 Waiver Amendment for Coverage of Diapers for Children – Other state’s Medicaid programs, such as in Tennessee, have implemented an 1115 Waiver provision that allows Medicaid reimbursement for diapers for children covered by the Medicaid program. Currently, Medi-Cal covers diapers for children if a provider determines the diapers are medically necessary. Under the 1115 Waiver, this requirement would no longer apply. Supplemental reporting language would request DHCS to explore options for California’s Medi-Cal program to apply for an 1115 Waiver to provide reimbursement for diapers for children in the Medi-Cal program, and report on those options to the Legislature.
- 1115 Waiver Amendment for Coverage of Period Products – While there is currently no model in other states for coverage of period products, supplemental reporting language would request DHCS to explore options for California’s Medi-Cal program to apply for an 1115 Waiver to provide reimbursement for period products for beneficiaries of the Medi-Cal program, and report on those options to the Legislature.

Subcommittee Staff Comment and Recommendation—Approve supplemental reporting language, consistent with these proposals.

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Issue 71: COVID-19 Response

Budget Change Proposal – Governor’s Budget. In the January budget, CDPH requested General Fund expenditure authority of \$101.3 million in 2023-24. If approved, these resources would allow CDPH to continue the state’s efforts to protect public health and safety against the spread of COVID-19, including vaccinations, testing, and operations support, as well as implementing the state’s SMARTER Plan.

Budget Change Proposal – May Revision. In the May Revision, CDPH requests reduction of General Fund expenditure authority of \$50 million. These resources were previously requested in the January budget to support contingency for unanticipated costs related to the COVID-19 pandemic.

The total request after May Revision is \$51.3 million.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$51,300,000	\$-
Total Funding Request:	\$51,300,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s March 16th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, updated for May Revision.

Issue 72: Public Health Workforce Investments Reversion - Withdrawal

Budget Solution – Governor’s Budget. In the January budget, CDPH requested reversion of General Fund expenditure authority of \$49.8 million over four years, approved in the 2022 Budget Act, to support public health workforce investments.

Local Assistance – May Revision. In the May Revision, CDPH requests to withdraw its proposed reversion of General Fund expenditure authority of \$49.8 million over four years, approved in the 2022 Budget Act, to support public health workforce investments. These programs were originally proposed for reversion in the January budget to address the General Fund shortfall.

This issue was heard during the subcommittee’s March 16th and May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, updated for May Revision, the withdrawal of the originally proposed reversion of resources.

Issue 73: Maintenance and Operations of Infectious Disease Data Systems - SMARTER Plan

Budget Change Proposal – Governor’s Budget. CDPH requests General Fund expenditure authority of \$74.4 million in 2023-24. If approved, these resources would allow CDPH to support the maintenance and operations of critical infectious disease data systems established during the COVID-19 pandemic and will continue to support the state’s emergency preparedness and response efforts, consistent with the SMARTER Plan.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$74,400,000	\$-
Total Funding Request:	\$74,400,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 74: COVID-19 Website Information Technology Resources

Budget Change Proposal – Governor’s Budget. CDPH requests General Fund expenditure authority of \$900,000 in 2023-24, 2024-25, and 2025-26. If approved, these resources would support security and translation services to optimize maintenance of the COVID-19 website.

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

* Additional fiscal year resources requested – 2025-26: \$900,000.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 75: AIDS Drug Assistance Program (ADAP) Estimate

AIDS Drug Assistance Program (ADAP) Estimate. The Office of AIDS within CDPH administers the AIDS Drug Assistance Program (ADAP), which provides access to life-saving medications for Californians living with HIV and assistance with costs related to HIV pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) for Californians at risk of acquiring HIV. Clients are eligible for ADAP services if they meet the following criteria:

1. are HIV infected;
2. are a resident of California;
3. are 18 years of age or older;
4. have a Modified Adjusted Gross Income that does not exceed 500 percent of the Federal Poverty Level; and
5. are not fully covered by or eligible for Medi-Cal or any other third-party payer.

ADAP Programs. ADAP provides services to its clients through support for medications, health insurance premiums and out-of-pocket costs. Participating clients generally fall into one of five categories:

1. *Medication-only clients* are people living with HIV who do not have private insurance and are not enrolled in Medi-Cal or Medicare. ADAP covers the full cost of prescription medications on the ADAP formulary for these individuals, who only receive services associated with medication costs.
2. *Medi-Cal Share of Cost clients* are persons living with HIV enrolled in Medi-Cal who have a share of cost for Medi-Cal services. ADAP covers the share of cost for medications for these clients, who only receive services associated with medication costs.

3. *Private insurance clients* are persons living with HIV who have some form of health insurance, including through Covered California, privately purchased health insurance, or employer-based health insurance and who receive services associated with medication costs, health insurance premiums and medical out-of-pocket costs.
4. *Medicare Part D clients* are persons living with HIV enrolled in Medicare and have purchased Medicare Part D plans for medication coverage. This group of clients receives services associated with medication co-pays, medical out-of-pocket costs, Medicare Part D health insurance premiums, and has the option for premium assistance with Medigap supplemental insurance policies, which cover medical out-of-pocket costs.
5. *Pre-exposure prophylaxis (PrEP) Assistance Program (PrEP-AP) clients* are individuals who are at risk for, but not infected with, HIV and have chosen to take PrEP, or post-exposure prophylaxis (PEP), as a way to prevent infection. For insured clients, PrEP-AP pays for PrEP- and PEP-related medical out-of-pocket costs and covers the gap between what the client’s insurance plan and the manufacturer’s co-payment assistance program pays towards medication costs. For uninsured clients, PrEP-AP only provides assistance with PrEP- and PEP-related medical costs, as medication is provided free by the manufacturer’s medication assistance program.

ADAP is funded by federal funds and the ADAP Rebate Fund (Fund 3080). The federal government began funding state programs to assist people living with HIV to purchase antiretroviral medications in 1987. Since 1990 with the passage of the Ryan White Comprehensive AIDS Resources Emergency Act, now known as the Ryan White Program, the federal Health Resources and Services Administration (HRSA) provides funding to states for ADAP programs. In addition to federal funds, ADAP receives significant funding from mandatory and voluntary manufacturer rebates for ADAP drug expenditures.

ADAP Estimate – May Revision. The May 2023 ADAP Local Assistance Estimate reflects revised 2022-23 expenditures of \$372.3 million, a decrease of \$68.2 million or 15.5 percent compared to the January budget. According to CDPH, this decrease is primarily due to lower than expected projected medication expenditures for medication-only clients and lower than expected premiums for insured client groups. For 2023-24, CDPH estimates ADAP expenditures of \$398 million, a decrease of \$42.1 million, or 9.6 percent compared to the January budget. According to CDPH, the continued relative reduction of expenditures between 2023-24 and 2022-23, compared to the January budget, is similarly due to lower than expected medication and premium expenditures.

ADAP Local Assistance Funding Summary		
Fund Source	2022-23	2023-24
0890 – Federal Trust Fund	\$106,494,000	\$102,102,000
3080 – AIDS Drug Assistance Program Rebate Fund	\$265,778,000	\$295,940,000
Total ADAP Local Assistance Funding	\$372,272,000	\$398,042,000

ADAP tracks caseload and expenditures by client group. CDPH estimates ADAP caseload and expenditures for 2022-23 and 2023-24 will be as follows:

<u>Caseload by Client Group</u>	<u>2022-23</u>	<u>2023-24</u>
Medication-Only	9,913	9,657

Medi-Cal Share of Cost	53	55
Private Insurance	9,893	9,901
Medicare Part D	7,244	7,246
PrEP Assistance Program	6,028	8,318
TOTAL	33,132	35,179

<u>Expenditures by Client Group</u>	<u>2022-23</u>	<u>2023-24</u>
Medication-Only	\$255,816,221	\$258,436,183
Medi-Cal Share of Cost	\$395,481	\$407,504
Private Insurance	\$82,978,930	\$83,607,076
Medicare Part D	\$24,765,380	\$26,784,768
PrEP Assistance Program	\$11,009,028	\$24,307,207
TOTAL	\$374,965,040	\$393,542,738

Costs for administration of ADAP are estimated to be \$3.1 million in 2022-23 and \$3.4 million in 2023-24. Costs for administration of PrEP-AP are estimated to be \$620,741 in 2022-23 and \$6.1 million in 2023-24. Enrollment costs are estimated to be \$7 million in 2022-23 and \$6.9 million in 2023-24.

This issue was heard during the subcommittee’s March 16th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, as updated for May Revision.

Issue 76: Fentanyl Program Grants (AB 2365)/Availability of Fentanyl Test Strips and Naloxone

Budget Change Proposal – Governor’s Budget. CDPH requests expenditure authority from the Opioid Settlements Fund of \$7.5 million in 2023-24, \$3.5 million in 2024-25, and \$1.5 million in 2025-26 and 2026-27. If approved, these resources would support six one-time competitive grants to reduce fentanyl overdoses and use, pursuant to AB 2365 (Patterson), Chapter 783, Statutes of 2022, and two one-time competitive grants to support innovative approaches to make fentanyl test strips and naloxone more widely available.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
3397 – Opioid Settlements Fund	\$7,500,000	\$3,500,000
Total Funding Request:	\$7,500,000	\$3,500,000
Total Requested Positions:	0.0	0.0

* Additional fiscal year resources requested – 2025-26 and 2026-27: \$1,500,000.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and adopt placeholder trailer bill language consistent with the Administration’s proposal. No concerns have been raised with this proposed use of Opioid Settlements Fund resources.

Issue 77: California Harm Reduction Initiative

Legislative Proposal. 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.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
3397 – Opioid Settlements Fund	\$15,250,000	\$15,250,000
Total Funding Request:	\$15,250,000	\$15,250,000
Total Requested Positions:	0.0	0.0

* Additional fiscal year resources requested – 2025-26 and 2026-27: \$15,250,000.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve Legislative Proposal. While the Administration’s proposed investments in the Naloxone Distribution Project at DHCS and the fentanyl and naloxone grants at CDPH are worthwhile, more must be done to bring resources and expertise for overdose prevention and reversal closer to those in need. As harm reduction programs are performing a disproportionate share of overdose reversals in the state, it is critical for the state to continue to support these programs in this essential work.

Issue 78: 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.

Budget Change Proposal – May Revision. CDPH requests an additional two positions and General Fund expenditure authority of \$546,000. If approved, these positions and resources would support implementation of residential lead-based paint Renovation, Repair, and Painting Program required by SB 1076 (Archuleta), Chapter 507, Statutes of 2022.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$546,000	\$546,000
Total Funding Request:	\$546,000	\$546,000
Total Requested Positions:	2.0	2.0

* Positions and resources ongoing after 2024-25.

This issue was heard during the subcommittee’s March 30th and May 17th hearings.

Subcommittee Staff Comment and Recommendation— Approve as budgeted and reject trailer bill language. Subcommittee staff recommends approving the requested resources to implement SB 1076, rejecting the Administration’s proposed changes to statute, and instructing the Administration to work with the author’s office to negotiate changes to this chaptered legislation.

Issue 79: Genetic Disease Screening Program (GDSP) Estimate

Genetic Disease Screening Program Estimate – May Revision. The May 2023 Genetic Disease Screening Program Estimate includes expenditure authority from the Genetic Disease Testing Fund of \$166 million (\$36.9 million state operations and \$129.2 million local assistance) in 2022-23, and \$187.6 million (\$38.1 million state operations and \$149.5 million local assistance) in 2023-24.

Genetic Disease Screening Program (GDSP) Funding Summary			
	2022-23	2023-24	BY to CY
Fund Source	<i>Revised</i>	<i>Proposed</i>	<i>Change</i>
0203 – Genetic Disease Testing Fund			
State Operations:	\$36,856,000	\$38,066,000	\$1,210,000
Local Assistance:	\$129,157,000	\$149,542,000	\$20,385,000
Total GDSP Expenditures	\$166,013,000	\$187,608,000	\$21,595,000

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 May Revision estimates NBS program caseload of 421,863 in 2022-23, a decrease of 1,428 or 0.3 percent, compared to 2021-22 actual total caseload of 423,291. The May Revision estimates NBS program caseload of 425,620 in 2023-24, an increase of 3,757 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 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 May Revision estimates PNS program caseload of 199,571 cfDNA specimens and 185,591 Biochemical Screening test specimens in 2022-23. The May Revision estimates PNS program caseload of 313,920 cfDNA specimens and 291,282 Biochemical Screening test specimens in 2023-24. These estimates are based on state projections of the number of live births in California.

CDPH estimates approximately 46 percent of projected births in California will participate in the PNS program in 2022-23 and 73 percent will participate in 2023-24.

This issue was heard during the subcommittee’s March 30th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, as updated for May Revision.

Issue 80: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

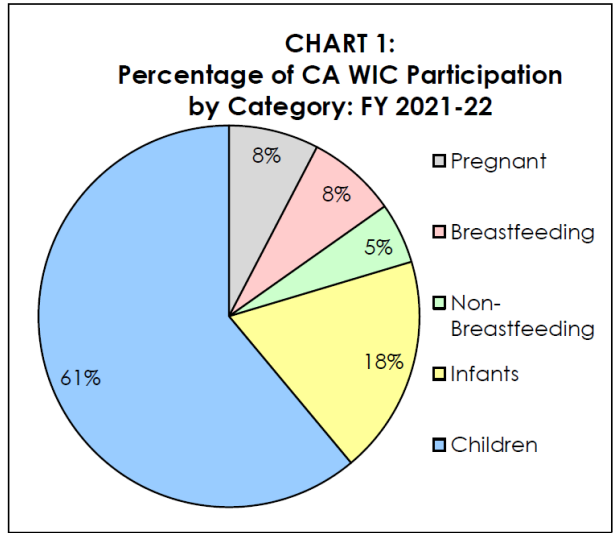
Issue 81: Women, Infants, and Children (WIC) Program Estimate

WIC Program Estimate – May Revision. The May 2023 Women, Infants, and Children (WIC) Program Estimate includes total expenditure authority of \$1.3 billion (\$1.1 billion federal funds and \$193.4 million WIC manufacturer rebate funds) in 2022-23 and \$1.4 billion (\$1.2 billion federal funds and \$217.3 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:	\$1,066,203,000	\$1,108,609,000	\$42,406,000
3023 – WIC Manufacturer Rebate Fund			

Local Assistance:	\$193,360,000	\$217,313,000	\$23,953,000
Total WIC Expenditures	\$1,324,065,000	\$1,390,397,000	\$66,332,000

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



Caseload Estimates. The May Revision assumes 956,319 average monthly WIC participants in 2022-23, an increase of 13,082 or 1.4 percent compared to the average monthly WIC participants estimated in the January budget. The budget assumes 991,619 average monthly WIC participants in 2023-24, an increase of 45,267 or 4.8 percent compared to the average monthly WIC participants estimated in the January budget.

Food Expenditures Estimate. The May Revision includes \$937.6 million (\$744.2 million federal funds and \$193.4 million rebate fund) in 2022-23 for WIC program food expenditures, an increase of \$16.2 million or 1.8 percent, compared to the January budget. According to CDPH, the increase in costs is due to an increase in participation, an increase in the estimated cost of the fruits and vegetables benefit increase, offset by a reduction in projected rebate revenue.

The May Revision includes \$1 billion (\$786.6 million federal funds and \$217.3 million rebate funds) in 2023-24 for WIC program food expenditures, an increase of \$59.7 million or 6.3 percent compared to the food expenditures estimate in the January budget. According to CDPH, this increase in costs is driven by an increase in participants, a higher food inflation rate, and estimated costs for the fruits and vegetables benefit increase.

Nutrition Services and Administration (NSA) Estimate. The May Revision includes \$322 million for other local assistance expenditures for the NSA budget in 2022-23 and 2023-24, unchanged from the January budget. The budget also includes \$64.5 million for state operations expenditures in 2022-23 and 2023-24, also unchanged from the January budget.

This issue was heard during the subcommittee’s March 30th and May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, as updated for May Revision.

Issue 82: Center for Health Care Quality Estimate

Center for Health Care Quality Program Estimate – May Revision. The May Revision includes expenditure authority for the Center for Health Care Quality of \$481.5 million (\$7.7 million General Fund, \$143.1 million federal funds, and \$330.7 million special funds and reimbursements) in 2022-23, an increase of \$32.3 million or 7.3 percent compared to the January budget, and \$462.1 million (\$5.2 million General Fund, \$132.6 million federal funds, and \$324.3 million special funds and reimbursements) in 2023-24, an increase of \$29.3 million or 6.9 percent compared to the January budget. According to CDPH, the increase in 2022-23 is attributed to an increase in federal fund authority related to various awards of funding from various federal programs, while the increase in 2023-24 is attributed primarily to various budget adjustments for staffing audits and other quality improvement measures.

CHCQ Funding Summary, November 2022 Estimate		
Fund Source	2022-23	2023-24
0001 – General Fund	\$7,677,000	\$5,169,000
0890 – Federal Trust Fund	\$143,080,000	\$132,554,000
0942 – Special Deposit Fund		
Internal Departmental Quality Improvement Account	\$3,686,000	\$687,000
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	\$13,862,000	\$14,789,000
3098 – Licensing and Certification Program Fund	\$303,864,000	\$300,581,000
Total CHCQ Funding	\$481,454,000	\$462,064,000
Total CHCQ Positions	1536.4	1539.4

This issue was heard during the subcommittee’s March 30th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, as updated for May Revision.

Issue 83: Skilled Nursing Facilities Staffing Audits

Budget Change Proposal – April Finance Letter. CDPH requests General Fund expenditure authority of \$4 million annually. If approved, these resources would support audits of skilled nursing facilities to verify compliance with minimum staffing requirements.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$4,000,000	\$4,000,000
Total Funding Request:	\$4,000,000	\$4,000,000
Total Requested Positions:	0.0	0.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 84: Radiologic Health Branch Licensing and Certification

Trailer Bill Language – April Finance Letter. CDPH proposes trailer bill language to revise the denial, suspension, revocation procedures associated with licenses and certifications held under the Radiologic Technology Act and licensed by CDPH, and expand civil penalty authority to radiological technologists and nuclear medicine technology.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 85: 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

Technical Adjustment – May Revision. At the May Revision, CDPH proposes budget bill language to specify the amounts associated with the reversion of Climate and Health Resilience Planning Grants proposed in the January budget. The language would specify reversion of General Fund expenditure authority of \$1.3 million in the state operations item and \$23.8 million in the local assistance item, for a total of \$25 million.

This issue was heard during the subcommittee’s March 30th and May 17th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and adopt placeholder budget bill language consistent with the Administration’s proposed technical adjustments.

Issue 86: Various Technical Adjustments

Technical Adjustments – April Finance Letter and May Revision. CDPH requests the following technical adjustments at the May Revision:

- Internal Departmental Quality Improvement Account (April Finance Letter) – CDPH proposes budget bill language to authorize the Department of Finance to augment expenditure authority from the Internal Quality Improvement Account to support quality improvement activities in skilled nursing facilities, upon review of a request from CDPH. This account is supported by penalties paid by health facilities for violations that meet the definition of immediate jeopardy of death or serious harm to a patient, or administrative penalties associated with breaches of medical information.
- Information Technology, Data Science, and Informatics for a 21st Century Public Health System – CDPH proposes budget bill language to authorize General Fund augmentation of \$15.9 million for planning activities associated with the Information Technology, Data Science, and Informatics for a 21st Century Public Health System proposal adopted in the 2022 Budget Act. The activities would be associated with Enterprise Planning and Strategy (Initiative 0), Dynamic Public Health Structure (Initiative 1), and Public Health Data Integration (Initiative 4). The expenditure of the funds would be contingent upon approval of enterprise planning and strategy documents by the California Health and Human Services Agency and the California Department of Technology.
- Domestic Violence Training and Education Fund Workload Adjustment – CDPH requests a net-zero shift between state operations and local assistance items of \$135,000 in the Domestic Violence Training and Education Fund. These resources would fund community-based organizations and conduct community-level domestic violence primary prevention work.
- Increased Resources for the Vector-Borne Disease Section – CDPH requests expenditure authority of \$68,000 from the Vectorborne Disease Account annually to right-size expenditures related to personnel who will oversee vector control technicians' certification criteria for public health pesticide applicators in California. According to CDPH, the program continues to experience increases in operational costs and expenditures, including higher employee salaries, indirect costs, and increasing overhead.
- Proposition 99 Adjustments – CDPH requests the following adjustments to accounts supported by the Proposition 99 tobacco tax:
 - Health Education Account – CDPH requests an increase of \$5.3 million
 - Research Account – CDPH requests a decrease of \$18,000
 - Unallocated Account – CDPH requests a decrease of \$57,000
- Breast Cancer Research Account Adjustment – CDPH requests reduction in expenditure authority from the Breast Cancer Research Account of the Breast Cancer Fund of \$27,000 to reflect available resources in the fund.

This issue was heard during the subcommittee's May 17th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted and adopt placeholder budget bill language consistent with the Administration’s proposed technical adjustments.

Issue 87: Hepatitis C Virus (HCV) Equity – Access to the Cure

Legislative Proposal. The End the Epidemics Coalition requests General Fund expenditure authority of \$5 million annually in 2023-24, 2024-25, and 2025-26. If approved, these resources would support expansion of HCV public health services, including outreach, testing, linkage and engagement in care to support young people who use drugs (PWUD), Black, Indigenous, and People of Color (BIPOC) communities, and those experiencing homelessness in curing HCV. The Office of Viral Hepatitis Prevention in CDPH’s STD Control Branch would administer funding to Local Health Jurisdictions (LHJ) using the current funding formula, or an updated version as appropriate. At least 50 percent of the award would support the maintenance and expansion of community-based services in priority settings, such as syringe exchange sites, mobile health vans, emergency rooms, and county jails.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$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 resources requested – 2025-26: \$5,000,000.

This issue was heard during the subcommittee’s March 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve Modified Legislative Proposal. Subcommittee staff recommends approving expenditure authority of \$10 million in 2023-24, available over three years, for HCV Equity.

Issue 88: Health Equity and Racial Justice Fund

Legislative Proposal. 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.

Subcommittee Staff Comment and Recommendation—Adopt modified placeholder trailer bill language. Subcommittee staff recommends adopting modified placeholder trailer bill language to establish the fund, including the parameters around the operation of the grant program, as well as authorize the fund to collect philanthropic donations and future state investments appropriated by the Legislature in future budget years.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

Issue 89: Autism Services Branch

Budget Change Proposal – Governor’s Budget. DDS requests \$1 million (\$826,000 General Fund) and six (6.0) permanent positions in 2023-24 and ongoing to establish an Autism Services Branch within the Office of Statewide Clinical Services to support the growing population of individuals with autism spectrum disorder eligible for regional center services.

This proposal was heard at the Subcommittee’s March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt budget bill language that includes goals, milestones, and reporting on outcomes to the Legislature on a periodic basis.

Issue 90: HIPPA and Information Deidentification (AB 1957)

Trailer Bill Language – Governor’s Budget. DDS proposes trailer bill language to specify that data reported pursuant to the Welfare and Institutions Code (WIC) 4519.5, inclusive of the additional data added under AB 1957 (Wilson, 2022), must be deidentified in accordance with HIPPA.

This proposal was heard at the Subcommittee’s March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to add requirements for the department to aggregate purchase of service data on a statewide basis and establish a collaborative process for stakeholder engagement regarding data de-identification.

Issue 91: Enhancements to Risk Management Data Collection and Tracking

Budget Change Proposal – Governor’s Budget. DDS requests \$839,000 (\$671,000 General Fund) in 2023-24 and ongoing and six positions to enhance data collection, review, tracking, oversight, and response to special incident reports, high-risk incidents, and trends. The positions also will provide training and technical assistance to regional centers in their oversight and review of special incident data.

This proposal was heard at the Subcommittee’s March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt

placeholder trailer bill language requiring the department to provide annual updates on special incident trends as part of quarterly legislative updates pursuant to Welfare and Institutions Code 4474.17.

Issue 92: Information Security Office Support

Budget Change Proposal- Governor’s Budget. DDS requests \$895,000 (\$716,000 General Fund) and five permanent positions to support federal and state information technology risk and compliance requirements and the maintenance and operation of the Department’s security system infrastructure to support the increasingly complex technology and data needs of Department programs.

Budget Change Proposal – April Finance Letter. The Department of Developmental Services (DDS) requests \$174,000 (\$139,000 General Fund) and one permanent position ongoing to support regional center (RC) information security efforts in meeting federal and state information technology risk and compliance requirements. This proposal augments DDS’s Information Security Office Support Budget Change Proposal from the 2023 Governor’s Budget.

This proposal was heard at the Subcommittee’s March 23, 2023 and May 4, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 93: Uniform Fiscal System Modernization and the Consumer Electronic Records Management System Project Planning

Budget Change Proposal – Governor’s Budget. The Department of Developmental Services (DDS) requests \$12.7 million (\$12.2 million General Fund) including one-year limited-term resources equivalent to 17 departmental positions and two positions per regional center in 2023-24 to support continued planning efforts for the Uniform Fiscal System Modernization (UFSM) and Consumer Electronic Records Management System (CERMS) projects. The requested resources will allow DDS to move through the state’s required California Department of Technology (CDT) Project Approval Lifecycle Stages 2 and 3 processes.

This proposal was heard at the Subcommittee’s March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt Supplemental Report Language requiring the department to provide quarterly written updates to the Legislature on (1) project development, scope, goals, and timelines; (2) engagement with stakeholders, including individuals and families served by the Regional Center system; (3) how the projects will work with the Regional Centers to prepare for any potential business process changes and resources they will need to incorporate the new systems into their current operations; and (4) what project risks and issues the department has identified, and how it plans to mitigate them to ensure development and implementation progresses on time and within budget.

Issue 94: Extension of 10 Beds at Porterville Developmental Center

Trailer Bill Language – Governor’s Budget. DDS proposes trailer bill language to extend 10 Incompetent to Stand Trial (IST) Beds at Porterville Developmental Center for one year. Current law caps

the Porterville Developmental Center Secure Treatment Program (STP) at 211 persons starting on July 1, 2023. This proposal would extend the cap to 221 persons until July 1, 2024.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Reject trailer bill language. Additionally, reduce Item 4300-001-0001 by \$4.9 million consistent with this action.

Issue 95: Extension of 10 Beds at Canyon Springs

Trailer Bill Language – Governor's Budget. DDS proposes statutory changes to extend 10 crisis beds at Canyon Springs Community Facility. The 2022 Budget Act permits admissions to the 10-bed acute crisis unit within Canyon Springs Community Facility (CSCF) through June 30, 2023. This trailer bill language would extend admissions to the 10-bed acute crisis unit, known as Desert STAR, until the three Complex Needs Residential Homes proposed in the Governor's Budget are open.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Reject trailer bill language.

Issue 96: Adjusting Rate Models to Reflect Increases in the Minimum Wage

Trailer Bill Language – Governor's Budget. DDS requests trailer bill language to adjust DDS rate models to reflect increases to the minimum wage.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration's proposal. Additionally, adopt placeholder trailer bill language clarifying implementation of quality incentives for DDS rate models.

Issue 97: Delay of Preschool Inclusion Grants

Budget Solution – Governor's Budget. The 2022-23 Budget Act included \$20 million General Fund over two years for grants to enable preschool programs to include more children with exceptional needs. The Governor proposes delaying the implementation of this two-year program until 2024-25.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 98: Fairview Warm Shutdown

Governor's Budget. DDS requests \$11.3 million General Fund for an additional year of funding to support the warm shutdown of Fairview Developmental Center. This includes 52 positions, primarily

groundskeepers, electricians, engineers, maintenance, and security staff, and \$2.8 million for utilities and facility costs necessary to maintain the property.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 99: STAR Home Staff Adjustments and Intermediate Care Facility Licensure

Governor's Budget. DDS proposes ongoing staffing resources, including 41 positions, to convert two of its seven STAR homes, which are currently licensed as Adult Residential Facilities through the Department of Social Services, to Intermediate Care Facilities (ICFs) licensed through the Department of Public Health.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt placeholder trailer bill language to specify the components of the STAR Home model that will be carried over into the Intermediate Care Facility licensure, including addressing policies around the use of mechanical restraints.

Issue 100: Complex Needs Residential Program

Governor's Budget. DDS proposes \$10.5 million General Fund for start-up resources to develop three 5-person residential homes for individuals with highly complex needs, for a total of five new homes which would be licensed as intermediate care facilities.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt placeholder trailer bill language to define the Complex Needs Residential Program consistent with Issue 114.

Issue 101: Trauma-informed care for dually served youth in foster care

Governor's Budget. DDS proposes ongoing funding of \$1.6 million (\$1.1 million General Fund) to provide an additional 15 additional Regional Center specialists statewide who will focus on the requirements related to youth in foster care with complex needs and multi-system involvement. These 15 Regional Center Specialists would join 15 current Regional Center specialists who are responsible for implementing recommendations pursuant to the AB 2083 System of Care Multiyear Plan, which establishes a framework for improving cross-agency coordination to improve services for foster youth with complex needs. These positions have a defined scope of work and responsibility to implement recommendations to address timelines for youth in foster care who are also eligible for regional center services.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 102: Compliance with Federal Home and Community-Based Services Requirements

Budget Change Proposal – April Finance Letter. The Department of Developmental Services (DDS) requests \$5.4 million (\$3.8 million General Fund) in 2023-24 and \$6.7 million (\$4.6 million General Fund) in 2024-25 and ongoing for the conversion of three (3.0) Community Program Specialist II positions funded with limited-term resources to permanent positions, six (6.0) additional permanent positions, and regional center resources to address and sustain new and ongoing efforts that align California's developmental disabilities system with federal requirements necessary for continued federal funding for Home and Community-Based Services programs.

This proposal was heard at the Subcommittee's March 23, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 103: Coordinated Family Support Services

Coordinated Family Support Services – May Revision. DDS requests that that Item 4300-101-0001 be increased by \$10.8 million and reimbursements be increased by \$7.2 million one-time to continue funding the Coordinated Family Support service pilot program through the end of fiscal year 2023-24. The program is currently funded through the Home and Community-Based Services (HCBS) Spending Plan.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 104: Independent Living Services

Independent Living Services - May Revision. DDS requests that Item 4300-101-0001 be increased by \$8.5 million and reimbursements be increased by \$6.5 million ongoing to fund adjusted rate model assumptions for Independent Living Services. These resources increase to an estimated \$60 million (\$34 million General Fund) beginning in 2024-25.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt budget bill language specifying that these funds are appropriated for the purpose of adjusting Independent Living Services rate model assumptions, by January 2024, to align the types of services provided with more equivalent occupations, such as teachers, social and human service assistants, and rehabilitation counselors.

Issue 105: HCBS Spending Plan Allocation May Revision Adjustment

Home and Community-Based Services (HCBS) Spending Plan Adjustment – May Revision. DDS requests that that Item 4300-101-0001 be increased by \$7,555,000 and reimbursements be increased by \$117,380,000 one-time to reflect spending adjustments of Home and Community-Based Services American Rescue Plan Fund expenditures on Service Provider Rate Reform acceleration in 2022-23, requiring net General Fund resources in 2023-24 related to continued funding of Department of Developmental Services policy initiatives, including: Language Access and Cultural Competency, Social Recreation and Camping Services, and Service Provider Rate Reform.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt Budget Bill Language to extend the timeline for all programs in the HCBS Spending Plan to the maximum time allowed by the federal government, with expenditures permitted through and until December 30, 2024, pursuant to action in Issue 10.

Issue 106: Reappropriation of Community Placement Plan Funding

Reappropriation of 2021-21 Community Placement Plan Funding – May Revision. DDS requests that Item 4300-490 be added to reappropriate \$10,750,000 from Item 4300-101-0001, Budget Act of 2020, to support housing projects under development with units set aside for individuals with intellectual and developmental disabilities. Funds were awarded for these purposes through the Department’s Community Placement Plan.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt budget bill language requiring written reporting to the Legislature by April 1, 2024 and at least annually thereafter, through the full expenditure of these funds, on activities funded, including the use of any vendor or other contracted service, details on housing projects and units in development and completed, and impacts for persons served, including demographic and ethnic/racial breakdowns. These updates may be conveyed to Legislative staff as part of the quarterly briefings conducted by the department pursuant to Welfare and Institutions Code 4474.17.

Issue 107: Parent Participation Requirement in ABA or Intensive Behavioral Intervention

Trailer Bill Language – May Revision. This Trailer Bill Language proposes to modify the requirements on providers and families for applied behavioral analysis (ABA) services or intensive behavioral intervention services, by encouraging, but not requiring, parent participation in these services.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to clarify that lack of parent participation shall not be a basis for denial or delay of ABA or intensive behavioral intervention services.

Issue 108: Remote Individual Program Plan Meetings Extension

Trailer Bill Language – May Revision. Existing law, until June 30, 2023, requires an individualized family service plan meeting to be held by remote electronic communications, and allows an individual program plan (IPP) meeting to be held by remote electronic communications if requested by the individual served or their family. This proposal extends both requirements until December 31, 2023.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to allow for these remote meetings through the 2023-24 fiscal year, until June 30, 2024, assuming no additional cost, as the Governor's proposal for half of the fiscal year did not assume a cost.

Issue 109: Rate Study Update – Family Home Agencies

Trailer Bill Language – May Revision. This proposal stipulates that regional center reimbursement to family home agencies for services in a family home shall not exceed rates for individuals who reside in a Community Care Facility vendored for four beds or less.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 110: Extended Suspension of Family Cost Participation Program and Annual Family Program Fee

Trailer Bill Language – May Revision. This trailer bill language proposal would provide a six-month extension of the new assessments and reassessments for the family cost participation program and the annual family program fee, until December 31, 2023.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to continue the suspension of the fees in question through the 2023-24 fiscal year, until June 30, 2024, assuming no additional cost, as the Governor's proposal for half of the fiscal year did not assume a cost.

Issue 111: Expanding Participant Directed Services to include social recreation and camping

Trailer Bill Language – May Revision. This trailer bill language proposal would give DDS the authority to implement, by way of written directive, the provision of participant-directed options for social recreation services.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language.

Issue 112: Regional Center Oversight – Directive Authority

Trailer Bill Language – May Revision. This trailer bill language provides DDS with the authority to issue directives to regional centers as the director deems necessary to establish standard statewide procedures relating to the intake process for eligibility determination, community engagement, and vendorization.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to do the following:

- (1) Require DDS, in consultation with stakeholders, to develop, and regional centers to adopt, standardized statewide procedures relating to initial intake, assessment, individual program planning, and vendorization;
- (2) Improve collection of racial and ethnic data;
- (3) Evaluate the availability of common services and supports across regional centers;
- (4) Require regional centers to periodically report on intake outcomes and timelines, and
- (5) Require regional centers to provide individuals and families with adequate notice if a determination of ineligibility is made.

Issue 113: Federal Education Grant Funding Distribution

Trailer Bill Language – May Revision. This trailer bill language proposes various changes to federal education grant funding distribution. In 1980, when the state began implementing the Education for All Handicapped Children’s Act of 1975, now the Individuals with Disabilities Education Act (IDEA), the Legislature established Special Education Programs for Individuals with Exceptional Needs Residing in State Hospitals (AB 1202). The Department of Developmental Services (DDS) is currently responsible for the administration of federal education grants for both DDS and the Department of State Hospitals (DSH) and is responsible for passing AB 1202 funds to DSH. DDS and DSH are coordinating with the California Department of Education to transition the administration of DSH federal education grant

funding, including the IDEA, Part B and the Workforce Innovation and Opportunity Act (WIOA), Title II: Adult Education and Family Literacy Act (AEFLA) grants, from DDS to DSH effective July 1, 2023. DDS and DSH intend to continue its Interagency Agreement with a limited scope through July 1, 2024, to facilitate a seamless transition of administrative responsibilities for education programs. The proposed language clarifies the process related to AB 1202 and provides technical amendments.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 114: Complex Needs Residential Program Trailer Bill

Trailer Bill Language – May Revision. This trailer bill language proposes to define the Complex Needs Residential Program proposed in the 2023 Safety Net Plan as part of the Governor’s January Budget.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to further define the Complex Needs Residential Program, including the limit of three homes; clarify that existing state buildings will not be used for these homes; and reject associated extensions of acute crisis unit at Canyon Springs.

Issue 115: Access to Generic Services

Trailer Bill Language – May Revision. DDS proposes trailer bill language to clarify existing statute permitting regional centers to purchase medical services by adding that an IPP or IFSP team may determine that a generic service identified in the IPP or IFSP is not currently available within 60 days and therefore may be funded by the regional center while the provisions of Welfare and Institutions Code section 4659(d)(1) are exhausted.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to (1) repeal the requirement that an individual or family must appeal a denial of a generic service until a regional center can purchase the service, and (2) require the department to submit a plan for removing barriers to access generic resources.

4440 DEPARTMENT OF STATE HOSPITALS

Issue 116: Program and Caseload Updates

Program and Caseload Updates – May Revision. DSH requests resources to support the following program and caseload updates in its 2023-24 May Revision Estimate.

Program Update – Metropolitan: Increased Secure Bed Capacity. At the May Revision, DSH estimates additional General Fund savings of \$3.9 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. In the January budget, DSH estimated General Fund savings of \$11.2 million in 2022-23. The new total General Fund savings is estimated to be \$15.1 million in 2022-23.

Program Update – Enhanced Treatment Program (ETP) Staffing. At the May Revision, DSH estimates General Fund savings of \$3.2 million in 2023-24 due to delayed completion of Enhanced Treatment Program (ETP) units at Patton State Hospital. The January budget estimated General Fund savings of \$4.8 million in 2022-23 for similar delays.

Program Update – Mission Based Review: Direct Care Nursing. At the May Revision, DSH estimates additional General Fund savings of \$1 million in 2022-23 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. In the January budget, DSH estimated General Fund savings of \$17.1 million in 2022-23 and \$4.8 million in 2023-24 and requested 29 positions in 2023-24, previously administratively established, that support administrative workload previously supported by redirected level of care staff. The total General Fund savings is \$18.1 million in 2022-23 and \$4.8 million in 2023-24.

Program Update – Mission Based Review: Protective Services. At the May Revision, DSH estimates additional General Fund savings of \$4.8 million in 2022-23 due to delays in hiring hospital police officers to provide protective services in the State Hospitals. In the January budget, DSH estimated General Fund savings of \$6.8 million in 2022-23. The total estimated General Fund savings is \$11.5 million in 2022-23.

Program Update – Mission Based Review: Treatment Team and Primary Care. At the May Revision, DSH estimates additional General Fund savings of \$4 million due to delays in hiring for treatment and primary care teams. In the January budget, DSH estimated 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. The total General Fund savings is estimated to be \$25.1 million in 2022-23 and \$8.4 million in 2023-24.

Program Update – Patient-Driven Operating Expenses and Equipment. DSH requests additional General Fund expenditure authority of \$2.5 million in 2022-23 and \$6.1 million in 2023-24 and annually thereafter to support operating expenses and equipment (OE&E) related to the care and treatment of DSH patients. In the January budget, DSH requested 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 adjustments result in a request for total General Fund expenditure authority of \$22.8 million in 2022-23 and \$26.6 million in 2023-24.

Program Update – Contracted Patient Services Incompetent to Stand Trial (IST) Solutions. In the January budget, DSH requested 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 requested 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.

Program Update – County Bed Billing Reimbursement Authority. At the May Revision, DSH estimates a reduction of reimbursements of \$27.5 million annually from county bed billing reimbursement authority based on updated patient census and bed rates. According to DSH, an expected decline in the census of LPS patients in 2023-24 would result in a reduction of expected reimbursements from counties for these patients of \$27.7 million. The current reimbursement authority is \$191.6 million for 2023-24 and DSH expects actual costs to be \$164 million. For non-restorable IST patients, DSH expects reimbursement from counties of \$269,000 in 2023-24.

Program Update – COVID-19 Update. At the May Revision, DSH estimates General Fund savings of \$19.7 million in 2022-23 and a decrease in its request for General Fund expenditure authority of \$9.2 million in 2023-24 for COVID-19 drive workload and expenditures. In the January budget, DSH requested 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. As a result of these adjustments, DSH estimates total General Fund savings of \$19.7 million in 2022-23 and requests total General Fund expenditure authority of \$42.1 million in 2023-24.

Program Update – DSH-Coalinga Intermediate Care Facility Conversion. At the May Revision, DSH estimates General Fund savings of \$2.9 million in 2022-23 due to delay in the conversion of units at DSH-Coalinga to a licensed intermediate care facility (ICF). According to DSH, the unit is scheduled to be completed in May 2023, which is a two-month delay from the timeline estimated in the January budget.

Program and Caseload Update: Forensic Conditional Release Program (CONREP) – General/Non-Sexually Violent Predator (Non-SVP) Program. At the May Revision, DSH estimates General Fund savings of \$13.5 million in 2022-23 due to program activation adjustments. In the January budget, DSH requested 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:

- 55 Statewide Transitional Residential Program (STRP) Beds in 2022-23, including:
 - 35 bed activated Southern California STRP
 - 20 bed activated Northern California STRP
- 180 Forensic Assertive Community Treatment (FACT) Beds, including:
 - 60 newly activated beds in Central California in 2022-23
 - 120 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
 - 30 bed activated Northern California IMD

- **Step-Down Transitional Programs** – DSH estimates General Fund savings of \$12.2 million in 2022-23 due to activation delays for the 78 bed Southern California IMD facility and CFRP program adjustments and \$1.8 million in 2023-24 and annually thereafter due to caseload reductions at the 30-bed Northern California IMD facility.

In the January budget, DSH requested 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.

- **Forensic Assertive Community Treatment (FACT)** – DSH estimates General Fund savings of \$3 million in 2022-23 due to adjustments in the activation timeline and phase in of patient placement in the FACT program. 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 March 2023, 12 of 60 beds had been filled in Sacramento, 30 of 60 beds had been filled in San Diego, and 19 of 60 beds had been filled in Alameda.

This issue was heard during the subcommittee’s March 30th and May 16th hearings.

Subcommittee Staff Comment and Recommendation—Approve as budgeted, updated for May Revision.

Issue 117: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 118: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 119: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 120: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 121: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 122: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 123: 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.

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve and adopt placeholder trailer bill language. No concerns have been raised with this proposal.

Issue 124: 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

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 125: 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

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 126: 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

This issue was heard during the subcommittee’s March 30th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 127: Extend Funding for HIPAA Compliance and Accounting Workload

Budget Change Proposal – April Finance Letter. DSH requests General Fund expenditure authority of \$615,000 in 2023-24. If approved, these resources would support continue processing invoices and payments from medical providers containing protected health information in compliance with the Health Insurance Portability and Accountability Act (HIPAA).

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$615,000	\$-
Total Funding Request:	\$615,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 128: Shift Funding for Patient Education from Reimbursements to Federal Funds

Budget Change Proposal – April Finance Letter. DSH requests federal fund expenditure authority of \$100,000 annually, and a corresponding decrease of reimbursement authority. If approved, this proposal would shift funding from reimbursements to federal funds for support of special education and vocational education programs for DSH patients.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0890 – Federal Trust Fund	\$100,000	\$100,000
0995 - Reimbursements	(\$100,000)	(\$100,000)
Total Funding Request:	\$-	\$-
Total Requested Positions:	0.0	0.0

* Funding shift ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 129: Coalinga – Hydronic Loop Replacement Reappropriation

Reappropriation – April Finance Letter. DSH requests reappropriation of General Fund authority of \$26.2 million, previously approved in the 2021 Budget Act. If approved, these resources would support the construction phase of the hydronic loop replacement project at DSH-Coalinga.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 130: Incompetent to Stand Trial Program Reappropriations

Reappropriations – May Revision. DSH requests reappropriation of resources for the following two programs related to patients deemed incompetent to stand trial (IST):

- Felony Mental Health Diversion Program Pilot – DSH requests reappropriation of General Fund resources, approved in the 2018 Budget Act, for the Felony Mental Health Diversion Program Pilot. If approved, this reappropriation of resources would allow counties time to fully expend the allocated resources.
- Incompetent to Stand Trial Solutions – DSH requests reappropriation of General Fund resources, approved in the 2021 and 2022 Budget Acts, to continue incompetent to stand trial (IST) solution programs across DSH contracted programs. DSH also requests five positions to support these programs.

This issue was heard during the subcommittee’s May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with these proposals.

Issue 131: Budget Solution – COVID-19 Workers Compensation

Budget Solution – May Revision. DSH requests to reduce General Fund expenditures for 2022-23 by \$8 million to reflect unspent workers' compensation funding authorized for COVID-19 related claims.

This issue was heard during the subcommittee's May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 132: Napa Memorial Project Reappropriation

Reappropriation – May Revision. DSH requests reappropriation of General Fund authority of \$60,000 approved in the 2021 Budget Act and \$60,000 approved in the 2022 Budget Act to support the completion of the Napa Memorial Project.

This issue was heard during the subcommittee's May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 133: SB 1223 Chaptering Clean-up

Trailer Bill Language – May Revision. DSH proposes trailer bill language to address chaptering issues that arose between the health omnibus trailer bill, AB 204 (Committee on Budget), Chapter 738, Statutes of 2022, and SB 1223 (Becker), Chapter 735, Statutes of 2022. Both bills amended section 1370 of the Penal Code, related to diversion.

This issue was heard during the subcommittee's May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve and adopt placeholder trailer bill language consistent with the Administration's proposal.

Issue 134: Metropolitan – Consolidation of Police Operations

Capital Outlay Budget Change Proposal – May Revision. DSH requests reversion of expenditure authority from the Public Buildings Construction Fund of \$27.5 million in 2022-23, and expenditure authority of \$40 million in 2023-24 for the construction phase of the consolidation of police operations at DSH-Metropolitan.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0660 – Public Buildings Construction Fund	\$39,952,000	\$-
Total Funding Request:	\$39,952,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

Issue 135: Atascadero – Potable Water Booster Pump System

Capital Outlay Budget Change Proposal – May Revision. DSH requests reversion of General Fund expenditure authority of \$2 million, approved in the 2022 Budget Act, and General Fund expenditure authority of \$4.7 million in 2023-24. If approved, these resources would support the construction phase of the continuing project to install a potable water booster pump system to improve the performance of the main water system at DSH-Atascadero.

Program Funding Request Summary		
Fund Source	2023-24	2024-25
0001 – General Fund	\$4,669,000	\$-
Total Funding Request:	\$4,669,000	\$-
Total Requested Positions:	0.0	0.0

This issue was heard during the subcommittee’s May 16th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted. No concerns have been raised with this proposal.

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

Issue 136: Reversion of Unspent California Arrearage Payment Program Funding

Governor’s Budget. The Governor’s 2023-24 Budget proposes to revert \$400 million in unspent CAPP funds appropriated to CSD for the CAPP. Under the 2022 California Arrearage Payment Program (CAPP), the Department of Community Services and Development (CSD) distributed \$647 million in state funding to eliminate past due Pandemic Emergency energy utility debt of over 1.4 million residential customers. 2022 CAPP funding was disbursed in November 2022 to energy utilities. The program addressed 100 percent of the eligible arrearages reported by the energy utilities that applied for 2022 CAPP funds. Eligible arrearages under 2022 CAPP were defined as past due residential customer energy bill balances accrued during the COVID-19 Pandemic Bill Relief Period of March 4, 2020 through December 31, 2021.

May Revision. CSD requests that Item 4700-495 be added to revert the unexpended balance of the local assistance appropriation made for the California Arrearage Payment Program in the 2022 Budget Act. The Governor’s Budget reverted these funds in statewide Control Section 4.06. This is a technical adjustment to provide transparency at the department/agency level by shifting the reversions from the statewide control section to the applicable departmental budget. To effectuate this change, it is requested that Item 4700-495 be added. This reversion item also applies to an additional \$149,358,000 in unexpended funds beyond the initial \$400 million included in Control Section 4.06 for the California Arrearage Payment Program. As a result of lower revenue projections and a resulting increase in the budget problem, the May Revision proposes to revert these additional funds to assist in closing the projected shortfall and ensuring the submission of a balanced budget plan.

This proposal was heard at the Subcommittee’s April 13, 2023 and May 16, 2023 hearings.

Subcommittee Staff Comment and Recommendation – Approve as budgeted, with modification to the Administration’s budget bill language to specify the amount of the reverted funds.

4800 CALIFORNIA HEALTH BENEFIT EXCHANGE (COVERED CALIFORNIA)

Issue 137: Budget Solution - California Premium Subsidy Program Reversion to General Fund

Trailer Bill Language and Budget Solution – Governor’s Budget. The Administration proposes trailer bill language to transfer \$333.4 million from the Health Care Affordability Reserve Fund to the General Fund, while stating the intent of the Legislature to restore funding when federal subsidies expire in the 2025-26 fiscal year.

This issue was heard by the subcommittee during its hearing on March 2nd, 2023.

Subcommittee Staff Comment and Recommendation—Modify and adopt modified placeholder trailer bill language. Subcommittee staff recommends rejecting the Administration’s proposed transfer of \$333.4 million from the Health Care Affordability Reserve Fund to the General Fund and instead:

- Transfer an additional \$714.1 million into the Health Care Affordability Reserve Fund from the General Fund to reflect the cumulative unspent portion of individual mandate penalties received to date of just over \$1 billion.
- Adopt modified placeholder trailer bill language to: 1) require individual mandate penalty revenue to be annually deposited in the Health Care Affordability Reserve Fund, 2) continuously appropriate resources in the fund to Covered California, and 3) require Covered California to use these resources for the purpose of supporting a program of financial assistance, as approved by the Covered California Board of Directors, beginning in the 2024 coverage year. For the 2024 coverage year, \$166.7 million would be available for the program of financial assistance. For subsequent coverage years, the amount available would be the average annual amount received by the state from the individual mandate penalty for the previous three years.

- Adopt modified placeholder budget bill language to authorize the appropriation of up to \$2 million from the Health Care Affordability Reserve Fund to support a health care program for striking workers, pursuant to AB 2530 (Wood), Chapter 695, Statutes of 2022.
- Adopt modified placeholder trailer bill language to authorize a loan of no more than \$880.8 million from the Health Care Affordability Reserve Fund to support the General Fund shortfall.

Issue 138: One Dollar Premium Subsidy Augmentation

Budget Change Proposal – April Finance Letter. Covered California requests General Fund expenditure authority of \$350,000 annually. If approved, these resources would support augmentation of the one dollar premium subsidy program in Covered California due to higher than expected enrollment.

Program Funding Request Summary		
Fund Source	2023-24	2024-25*
0001 – General Fund	\$350,000	\$350,00
Total Funding Request:	\$350,000	\$350,000
Total Requested Positions:	0.0	0.0

* Resources ongoing after 2024-25.

This issue was heard during the subcommittee’s May 4th hearing.

Subcommittee Staff Comment and Recommendation—Approve as budgeted.

5160 DEPARTMENT OF REHABILITATION

Issue 139: Extend Cal-LEAP Program

Legislative Proposal – Limited Examination and Appointment Program (LEAP). The LEAP program provides a pathway for individuals with intellectual and developmental disabilities to obtain work in state service. This proposal would remove the sunset to allow this program to continue.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

Issue 140: Funding Increase for Local Child Support Agencies

Governor’s Budget. The Governor’s budget includes \$35.8 million (\$12.2 million General Fund) to increase support for local child support agencies.

This proposal was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.**Issue 141: Cyber Security: Department of Child Support Services**

Budget Change Proposal – Governor’s Budget. The California Department of Child Support Services (DCSS) requests a budget augmentation of \$1,059,000 (\$360,000 General Fund) and six positions, for 2023-24 and ongoing to comply with recent requirements in IRS Publication 1075. This funding enables DCSS to respond to the increasing sophistication in cybersecurity attacks and allows DCSS to comply with the goals of the Governor’s Cal-Secure Multi-Year Information Security Maturity Roadmap to achieve compliance with state information security policies, as well as address information security and privacy risks.

This proposal was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.**Issue 142: Local Assistance Expenditures - Department of Child Support Services**

May Revision. The May Revision includes a revised implementation date of April 2024 for the child support pass-through to formerly assisted families, due to a greater degree of system change complexity than previously anticipated in the Child Support Enforcement System. The revised implementation date results in approximately \$70 million General Fund revenue. DCSS requests that that Item 5175-101-0890 be decreased by \$64,382,000 ongoing to update federal fund local assistance expenditures based on additional child support collections data becoming available. It is estimated there will be a corresponding increase in collections received for the federal government’s share of child support recoupment. DCSS additionally requests that Item 5175-101-8004 be increased by \$64,382,000 ongoing to reflect an estimated increase in collections received for the federal government’s share of child support recoupment based on updated child support collections information.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.**5180 DEPARTMENT OF SOCIAL SERVICES****Issue 143: Adoption Facilitator Unit**

Budget Change Proposal – Governor’s Budget. CDSS requests \$1.2 million in 2023-24 and \$1.1 million ongoing for five (5.0) permanent positions to fully implement the Adoption Facilitator Program activities pursuant to Chapter 754, Statutes of 2006 (SB 1758) and Chapter 1135, Statutes of 1996 (SB 2035). These activities include developing a process for complaints and investigation of complaints, consistent with requisite due process, for those individuals registered as an adoption facilitator. The requested positions include two (2.0) Staff Services Manager Is (SSM I), two (2.0) Associate Governmental Program Analysts (AGPA), and one (1.0) Research Data Specialist II (RDS II).

Provisional Language – May Revision. CDSS requests that Item 5180-001-3422 be amended to revise the fund title from “Adoption Facilitator Program Civil Penalty Fund” to “Adoption Facilitator Program Fund” and to correctly cite the statutory reference under Provision 1.

This proposal was heard at the Subcommittee’s April 13, 2023 and May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve with modifications, corresponding to changes in the related trailer bill language.

Issue 144: Adoption Facilitator Program

Trailer Bill Language – Governor’s Budget. CDSS proposes trailer bill language to strengthen the department’s authority to exercise necessary oversight of adoption facilitators to protect birth parents, children, and prospective adoptive parents from adoption facilitators who commit fraud or violate the law. This proposal would also establish a special fund to receive registration and annual renewal fees and civil penalty revenue from adoption facilitators.

This proposal was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to prohibit adoption facilitators and create an enforcement mechanism.

Issue 145: CalFresh Federally Mandated Workloads

Budget Change Proposal – Governor’s Budget. CDSS requests five permanent positions and \$883,000 in 2023-24 and \$859,000 ongoing to oversee the operations of county management evaluations and quality control, meet new federally mandated reporting requirements, and implement critical policy changes to CalFresh program administration.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 146: CalFresh for College Students Act

Budget Change Proposal – Governor’s Budget. CDSS requests one full-time, limited term Staff Services Analyst/Associate Governmental Program Analyst (SSA/AGPA) to continue implementation of SB 641 (Skinner, Chapter 874, Statutes of 2022), at a cost of \$174,000 first year, and \$170,000 in 2023-24. CDSS must submit information on steps to increase CalFresh student participation and the estimated costs association with implementing those respective steps.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt Budget Bill Language requiring the department to explore and implement methods toward either state and

campus data-sharing to identify potentially CalFresh eligible students; or facilitate, to the extent possible and within existing resources and authority, similar county data-sharing with campuses.

Issue 147: California Food Assistance Program Expansion

Budget Change Proposal – Governor’s Budget. CDSS requests \$3.3 million and 18 permanent positions to provide state-level administration for the expansion of the California Food Assistance Program (CFAP).

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 148: CalWORKs Federal Compliance and New Policy Support for Domestic Abuse Survivors

Budget Change Proposal – Governor’s Budget. CDSS requests four permanent positions and \$689,000 General Fund 2023-24 and \$671,000 General Fund annually thereafter to support the CalWORKs Program to address new workload associated with implementing federal rules pertaining to domestic abuse survivors.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 149: Equity Programs: Workload Rightsizing

Budget Change Proposal – Governor’s Budget. CDSS requests seven permanent positions and \$893,000 in 2023-24 and \$853,000 ongoing, to right size staff resources for implementation of new and expanded legislative initiatives to support immigrant and refugee children in California, tribal food assistance, and related human service programs.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 150: Home Care Fund Stabilization

Budget Change Proposal – Governor’s Budget. The California Department of Social Services (CDSS) requests 15 positions and \$2.8 million in ongoing funding to stabilize and provide responsible oversight and enforcement of the home care system in California through the Home Care Program.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.**Issue 151: Home Care Program**

Trailer Bill Language – Governor’s Budget. CDSS proposes trailer bill language related to the Home Care Fund Stabilization budget proposal.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal. Additionally adopt placeholder trailer bill language to monitor progress of the Home Care program.

Issue 152: Housing and Homelessness Expanded Programs and Permanent Position Funding

Budget Change Proposal – Governor’s Budget. The California Department of Social Services (CDSS) requests \$3.5 million ongoing to convert 17 limited-term position funding to permanent resources in the Housing and Homeless Division to fulfill its legislative mandates and provide critical services to individuals experiencing homelessness.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt placeholder trailer bill language requiring comprehensive reporting on trends in homelessness in major safety net programs and projected, and approximate outstanding housing needs unaddressed in the caseload.

Issue 153: Preventing Trauma During Facility Closure

Budget Change Proposal – Governor’s Budget. CDSS requests \$5.1 million in ongoing funding and permanent authority for one position to support temporary manager contracts. The request is critical to take quick and effective action to protect the health and safety of residents of Residential Care Facilities for the Elderly (RCFE) and Adult Residential Facilities (ARF) and minimize the effects of transfer trauma that accompanies the abrupt transfer of residents. These resources are also necessary to implement the statutory requirement to provide a 60-day eviction notice to residents should there be a need to relocate residents. As a part of critical division restructuring, CDSS is also requesting permanent position authority for two Career Executive Assignment positions for Assistant Deputy Directors.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 154: Reinforce the Caregiver Background Check System and Background Check Resources

Budget Change Proposal – Governor’s Budget. The California Department of Social Services (CDSS) requests contract funding of \$900,000 of which \$300,000 is for three year limited-term funding to support the existing Guardian background check system for ongoing IT maintenance and \$600,000 is for two year limited-term funding to initiate planning activities to develop a replacement to the Guardian system.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt budget bill language requiring regular updates to Legislative staff on the status of the Guardian backlog.

Issue 155: Housing Investment Power and Duties Technical Changes

Trailer Bill Language – Governor’s Budget. This trailer bill language makes the following technical statutory changes: (1) Clarifies the California Department of Social Services (CDSS) is authorized to expend no more than \$10.5 million General Fund of the total amount of funds included in the 2022 Budget Act for housing and homeless programs data collection, data tracking, and technical assistance; (2) Authorizes CDSS to modify or waive at its discretion any CDSS housing or homelessness program requirements that conflict with tribal law or custom, in line with equity-focused best practices established within the California Department of Housing and Community Development (HCD); and (3) Authorizes CDSS to implement program guidance through the All-County Letter process.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve placeholder trailer bill language.

Issue 156: CalWORKs Unrelated Adult Disclosure Requirements

Trailer Bill Language – Governor’s Budget. CDSS proposes trailer bill language to apply gender neutrality to the household composition and family reporting requirements that currently only apply to unrelated adult males.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language, repealing the entire Section 11351.5 of the Welfare and Institutions Code that addresses this issue.

Issue 157: SAWS Automated Welfare System Migration and Ongoing Support

Budget Change Proposal – April Finance Letter. CDSS requests \$922,000 General Fund in 2022-23 and ongoing for the establishment of 2.0 permanent, full-time positions, along with the conversion from limited term to permanent of 3.0 full-time position resources previously approved for the implementation and ongoing support of the California Statewide Automated Welfare System (SAWS) consolidation. The requested permanent staffing will ensure CDSS continues to have robust representation in all CalSAWS policy automation activities and meetings. These five positions are critical for CDSS to continue fulfilling

its role as a sponsor department in providing policy interpretation and system enhancement reflective of eligibility and policy for CDSS programs in CalSAWS forums.

This proposal was heard at the Subcommittee's May 4, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 158: CalSPARK Core Project Planning Resources

Budget Change Proposal – April Finance Letter. The California Department of Social Services (CDSS) requests \$1.87 million one-time General Fund, provisional language to increase one-time General Fund by up to \$4 million upon approval of the Department of Finance, and \$4 million one-time federal funds to continue planning activities and support completion of the California Department of Technology (CDT) Project Approval Lifecycle (PAL) for the California Supporting Providers and Reaching Kids (CalSPARK) Core project.

This proposal was heard at the Subcommittee's May 4, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 159: Statewide Verification Hub Staff and Technical Resources

Budget Change Proposal – April Finance Letter. CDSS requests \$1.9 million (\$1.6 million General Fund) to support the continued planning, design, development, and implementation of the Statewide Verification Hub project. Of the requested resources, approximately \$2 million (\$1.6 million General Fund) is requested one-time available over two fiscal years for vendor contracts related to Stages 3 and 4 of the California Department of Technology's (CDT) Project Approval Lifecycle (PAL) process and \$12,000 (\$11,000 General Fund) ongoing is necessary for the reclassification of an existing permanent, full-time, IT Specialist II to an Information Technology Manager I. CDSS and DHCS, in conjunction with the California Health and Human Services (CHHS) Agency, seek to streamline and modernize the processes of obtaining required eligibility verifications for means-tested human services programs, improve accuracy of benefit calculation, improve client experience, enhance reporting capabilities, and simplify the verification process across departments and programs as part of its ongoing commitment to continuously improve access to public benefits.

This proposal was heard at the Subcommittee's May 4, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 160: CDSS CalWORKs Maximum Aid Payment Increase

CalWORKs AB 85 Maximum Aid Payment Increase – May Revision. CDSS requests that Item 5180-101-0001 be increased by \$111.2 million ongoing to reflect a 3.6 percent increase to the CalWORKs

Maximum Aid Payment levels. The increased grant costs are funded entirely by 1991 Realignment revenue in the Child Poverty and Family Supplemental Support Subaccount.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt placeholder trailer bill language removing parts of Welfare and Institutions Code 11450.027 that make the 10 percent grant increase that took effect on October 1, 2022 short-term and subject to a cut on September 30, 2024. Additionally require the display on grants against federal poverty levels to account for households where the Assistance Unit does not account for all of the people in the family, which applies to 60 percent of CalWORKs households.

Issue 161: In-Home Supportive Services: improve access to services for IHSS minor recipients

Budget Change Proposal – May Revision. The May Revision includes \$60.7 million (\$27.9 million General Fund) ongoing to increase access to IHSS for minor recipients and their families.

Trailer Bill Language – May Revision. CDSS proposes statutory changes to amend Welfare and Institutions Code 12300 (e) to eliminate provider eligibility requirements that only apply to minor recipients to better serve the IHSS Program's minor recipients and their families. This change will allow IHSS-eligible minor recipients to select a parent or a non-parent as their provider.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt trailer bill language consistent with the Administration's proposal.

Issue 162: CalSAWS Bi-Directional Interface with CWS-CARES

May Revision. CDSS requests that Item 5180-141-0001 be increased by \$25 million one-time, to be available over two years beginning in 2023-24, and accompanying provisional language be added to Item 5180-141-0001 for the development of a bi-directional interface between the California Statewide Automated Welfare System (CalSAWS) and Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) systems.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 163: County CalFresh Administration Rebase

May Revision. The May Revision includes \$406.5 million (\$159 million General Fund) to reflect a revised budget methodology for county CalFresh administration activities, pursuant to the 2022 Budget Act.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 164: California Food Assistance Program: automation and outreach

May Revision. The May Revision moves the timeline for expanding the California Food Assistance Program to adults age 55 and over regardless of immigration status to October 2025, representing a shortened timeline compared to the January 1, 2027 implementation date proposed in the Governor's January budget. This includes an increase of \$40 million one-time to support a revised automation and program outreach timeline for the expansion.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 165: CalFresh Oral Notice of Work Rules: county administration workload to comply with federal requirements

May Revision. CDSS requests that that Item 5180-141-0001 be increased by \$3,396,000 ongoing and that Item 5180-141-0890 be increased by \$4,852,000 ongoing, for county administration workload to comply with new federal CalFresh Oral Notice of Work Rules requirements.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt Supplemental Report Language requiring meetings between Legislative staff, client representatives, counties, anti-poverty/anti-hunger stakeholders, and the Administration to review implementation details toward understanding how the state is ensuring that the rules are being read only to the subset of CalFresh recipients to whom the federal rule applies, to avoid a chilling effect, and that this implementation is conducted in a trauma-informed manner, and not biased, offensive, or berating to the recipient population impacted.

Issue 166: Summer EBT: Outreach and Automation

May Revision. The May Revision includes \$47 million (\$23.5 million General Fund) for outreach and automation costs to phase in a new federal Summer EBT program for children who qualify for free or reduced-price school meals beginning summer 2024.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt placeholder trailer bill language directing CDSS to maximize participation in the federal Summer EBT program, directing CDSS to report to the Legislature on the additional administrative cost, if any, to add an additional state supplement to the \$40 monthly per child benefit, and allowing CDSS and the

Department of Education to share data for the purpose of identifying eligible students and evaluating program outcomes.

Issue 167: Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (CONNECT)

May Revision. CDSS requests that Item 5180-151-0001 be decreased by \$7,897,000 and Item 5180-151-0890 be decreased by \$2,945,000 to reflect the shift in costs associated with full implementation of the Child and Family Teams component of the Behavioral Health CONNECT waiver, formerly known as Behavioral Health Community-Based Continuum Demonstration, from January 2024 to January 2025.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 168: Rapid Response Program – Southern Border Humanitarian Support

May Revision. The May Revision includes \$150 million General Fund one-time for the Rapid Response program, which funds sheltering for migrants and supports their safe passage through border regions in partnership with local providers.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted. Additionally, adopt budget bill language requiring the department to provide quarterly written updates to the Legislature on expenditures made to support rapid response services and supports, the remaining available funding, and the plan to expend the remaining funds.

Issue 169: Support for Community-Based Organizations for hate incidents response

May Revision. CDSS requests that Item 5180-151-0001 be increased by \$10 million and provisional language be amended to support community-based organizations to provide services for survivors and victims of hate incidents.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 170: CalWORKs Single Allocation Partial Reversion

May Revision. The May Revision proposes to revert approximately \$280 million General Fund from 2021-22 that is projected to go unexpended in the CalWORKs Single Allocation.

This proposal was heard at the Subcommittee's May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 171: Guaranteed Income Pilot Program CalWORKs Exemption

Trailer Bill Language – May Revision. The May Revision includes trailer bill language that exempts guaranteed income payments from consideration as income and resources in determining CalWORKs eligibility. This trailer bill language will also allow CDSS to accept funds from any public or private source to administer the Guaranteed Income pilot program, and enable CDSS to award funds to tribal entities.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal, that additionally requires recommendations on how the outcomes and evaluation of the Guaranteed Income Pilot Program may be utilized toward the improvement of the CalWORKs program to assist families as they seek to break the cycle of poverty for themselves and their children.

Issue 172: Tribal Dependency Representation Program Revised Methodology

Trailer Bill Language – May Revision. Welfare and Institution Code section 10553.14(d) requires any adjusted allocation of funds to California Indian Tribes for the Tribal Dependency Representation Program above \$15,000 per eligible Tribe to consider “the number of Indian children in foster care or prospective adoptive placements through the juvenile court.” In tribal consultations with CDSS, Tribes have indicated that this adjusted allocation methodology data requirement does not contribute to the equity goals of the program. This trailer bill language proposal removes the placement data requirement for the adjusted allocation methodology to allow Tribes to determine their own factors to be considered for the distribution of remaining funding after the initial allocation, whether that be equal distribution among all eligible Tribes or some other methodology, without requiring the use of a specific piece of data that is not tracked reliably across all Tribes.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal, pending consultation with key stakeholders, including legislative leadership and tribal representatives.

Issue 173: Safety Net Withdrawal

Trailer Bill Language – May Revision. This proposal would transfer \$450 million from the Safety Net Reserve Fund to the General Fund in 2023-24. Chapter 42, Statutes of 2018 (AB 1830), established the Safety Net Reserve Fund for the purposes of maintaining existing program benefits and services for the CalWORKs and Medi-Cal programs during economic downturns.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Reject.

Issue 174: Public Records Act Exemption for Child Care Providers United Collective Bargaining

Trailer Bill Language –May Revision. This trailer bill language proposal would provide a Public Records Act (PRA) exemption for collective bargaining related to child care. Chapter 385, Statutes of 2019 (AB 378) authorized family childcare providers to form, join, and participate in the activities of an exclusive representative, as defined to collectively bargain for family childcare providers on matters related to child care subsidy programs. Chapter 116, Statutes of 2021 (AB 131) moved statute from the Education Code to Welfare and Institutions Code to effectuate the transition of child care and development programs from the California Department of Education to the Department of Social Services. Chapter 614, Statutes of 2021 (AB 473) reorganized the Public Records Act. According to CDSS, AB 473 did not take into account that AB 131 moved statute from Education Code to the Welfare and Institutions Code, and the Public Records Act (PRA) exemption for collective bargaining related to child care was not updated, and Government Code section 7928.405 should be amended to reference the correct statute that appropriately provides the PRA exemption for collective bargaining related to child care.

This proposal was heard at the Subcommittee’s May 17, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 175: Community Care Licensing: Administrator Certification Section Training Updates

Trailer Bill Language –May Revision. CDSS proposes to modify the initial certification and continuing education training requirements for the Administrator Certification Program (ACP) to continue to offer online training options that were available throughout the COVID-19 pandemic under statewide waivers. In addition, CDSS is proposing to clarify administrator certification requirements for Adult Residential Facilities for Persons with Special Healthcare Needs (ARFPSHN). The California Department of Developmental Services (CDDS) recently requested clarification on the requirements for ARFPSHN administrators, specifically whether the full certification including training, application and exam are necessary. We would like to use this opportunity to confirm the licensing requirements for ARFPSHN facility administrators.

This proposal was heard at the Subcommittee’s May 16, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language consistent with the Administration’s proposal.

Issue 176: Child Care Hold Harmless Expiration

Governor’s Budget. The Governor’s budget includes the expiration of the “hold harmless” policy, which provided reimbursement flexibility for child care providers to receive more predictable payments instead of being paid based on a child’s attendance, given absences and instability caused by COVID-19. This policy will end on June 30, 2023, and providers will return to the previous reimbursement policy.

This proposal was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language to revise policies to allow for reimbursement flexibility.

Issue 177: Delay of 20,000 Subsidized Child Care Slots

Budget Solution – Governor’s Budget. The Governor’s budget proposes to delay the planned child care slot increases by one year, resulting in \$134 million in General Fund savings in 2023-24. The administration intends to resume adding new slots in 2024-25, reaching the overall 200,000 new slots goal by 2026-27 instead of 2025-26.

This proposal was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Delay slot expansion only to July 1, 2024 for the 2024-25 fiscal year at no additional cost.

Issue 178: Child Care 8.22 percent Cost of Living Adjustment (COLA)

Governor’s Budget and May Revision. The May Revision includes \$183.3 million General Fund for Child Care and Development Programs and \$840,000 for the Child and Adult Care Food Program to reflect a statutory COLA of 8.22 percent. This is a modification from the Governor’s January Budget, which included \$301.7 million General Fund for Child Care and Development Programs and \$1.5 million for the Child and Adult Care Food Program to support an 8.13 percent COLA.

This proposal was heard at the Subcommittee’s May 17, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Reject, and repurpose the \$183.3 million for General Child Care and Development Programs to provide a rate increase for all subsidized child care providers, inclusive of ongoing collective bargaining, as described in Issue 180. Approve \$840,000 COLA for Child and Adult Care Food Program.

Issue 179: Projected Current Year Savings for General Child Care Program

May Revision. The May Revision reflects anticipated one-time 2022-23 savings of \$588 million General Fund from the 2022 Budget Act, but preserves expenditure authority should expenditures increase. These projected savings are based on estimated General Child Care expenditures that will go into contract by the end of fiscal year 2022-23.

This proposal was heard at the Subcommittee’s May 17, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve as budgeted.

Issue 180: Legislative Proposal – Child Care Rate Increase

Legislative Proposal – Child Care Rate Increase. This proposal would repurpose up to \$893 million in one-time funding and approximately \$222 million in ongoing funding from various sources, including from the Governor’s proposed 2023-24 COLA, to provide a rate increase for all subsidized child care providers, inclusive of ongoing collective bargaining between the state and Child Care Providers United.

This issue was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve legislative proposal. Repurpose savings from various sources, including (1) projections of unexpended funds associated with General Child Care slots and rates, 2021-22 California Alternative Payment Program, 2022-23 family fee waiver costs, and 2022-23 COLA; (2) remaining Proposition 64 carryover; and (3) remaining CARES Act, ARPA Discretionary, ARPA Stabilization, CRRSA funding, and one-time and ongoing federal Child Care and Development Fund grant to provide a reimbursement rate increase for all subsidized child care providers, inclusive of ongoing collective bargaining between the state and Child Care Providers United. Additionally, adopt placeholder trailer bill language to make the statutory changes necessary to implement this change and prevent the reversion of any federal relief funds.

Issue 181: Legislative Proposal – Child Care Family Fee Reform

Legislative Proposal – Child Care Family Fees. As part of the ongoing pandemic response, the state waived family fees through 2021-22 and again through 2022-23 and backfilled the cost to providers. This policy provided additional support to low-income families as pandemic-related health and economic costs impacted families. Stakeholders have been requesting changes to the family fee structure for some time to limit the impact to low-income families. Families enrolled in child care will face an increase in costs when family fees return in 2023-24. Early action extended the family fee waiver through September 30, 2023. This proposal would provide \$56 million in 2023-24, increasing to approximately \$75 million to \$134 million ongoing to overhaul the family fee schedule to limit family fees to one percent of family income, and additionally forgive family fee debt from prior to the family fee suspension.

This proposal was heard at the Subcommittee’s April 13, 2023 hearing.

Subcommittee Staff Comment and Recommendation- Approve legislative proposal. Repurpose \$56 million in 2023-24 and approximately \$75 million to \$134 million ongoing Child Care and Development Fund and repurposed 2023-24 COLA funds to cap family fees at or below one percent of family income for low-income families; and forgive family fee debt from prior to the family fee suspension. Additionally, adopt placeholder trailer bill language to streamline family income verification for voucher-based programs.

Issue 182: Use of an Alternative Methodology for Child Care and Development Programs

Trailer Bill Language – May Revision. This proposal would amend various references to the regional market rate survey within the Welfare and Institutions Code (WIC) to allow the California Department of Social Services (CDSS) to proceed with developing an alternative methodology in accordance with rate reform recommendations made by the rate and quality stakeholder workgroup and the Joint Labor Management Committee (JLMC) consisting of the State and Child Care Providers United Union – California (CCPU). These amendments are necessary as existing statutes preclude CDSS from being able to adopt an alternative methodology in lieu of use of the market rate survey, in accordance with the allowance under federal regulations.

This proposal was heard at the Subcommittee’s May 17, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Modify. Adopt placeholder trailer bill language to specify the timeline for adopting an alternative methodology to set child care rates and allow for the Regional Market Rate to be used to set child care rates in the interim. Specify that the alternative methodology shall be aligned with the recommendations of the Joint Labor Management Committee established pursuant to WIC Section 10280.2, and is subject to JLBC approval.

Issue 183: Legislative Proposal – Extend Child Care Pilot Sunsets

Legislative Proposal – Extend Child Care Pilot Sunsets. This proposal would extend the sunset date for all child care pilot programs to July 2026, to allow for CDSS to review timeline for pilot programs.

Subcommittee Staff Comment and Recommendation – Adopt placeholder trailer bill language.

Issue 184: Legislative Proposal – Resources to Address the Caregiver Background Check Backlog

Legislative Proposal – Caregiver Background Check Backlog. This proposal would provide \$4 million over four years for six limited-term staff at the Department’s Community Care Licensing Division (CCLD) to process background checks while the state plans for a permanent replacement for the Guardian background check system. Issues with Guardian are leading to serious delays in hiring staff in all settings licensed by CCLD, including child care programs, Foster Family Agencies and resource families, short-term residential therapeutic programs, social rehabilitation programs, residential care facilities for the elderly, home care organizations, and other adult and senior care facilities that serve vulnerable individuals. These additional staff resources will help process clearances within three days; process simplified exemptions in a timely manner; manually review and clear the Guardian backlog; and extend the current hotline hours.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve legislative proposal.

Issue 185: Legislative Proposal – Supplemental Nutrition Benefits and Transitional Nutrition Benefits

Legislative Proposal – Supplemental Nutrition Benefits (SNB) and Transitional Nutrition Benefits (TNB) Parity. The SNB and TNB programs are state-funded nutrition benefits created for households who lost CalFresh benefits when CalFresh was expanded to individuals on SSI. This proposal would provide \$10 million in 2023-24 and \$2.4 million ongoing to increase SNB and TNB benefits in line with the federal Thrifty Food Plan update in 2021 and create an annual adequacy update process to prevent future inequity between SNB and TNB benefits and the CalFresh benefits they are meant to replace. The Thrifty Food Plan update in 2021 led to an approximate increase of about \$36 in CalFresh benefits per household per month.

This proposal was heard at the Subcommittee’s March 9, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve legislative proposal.

Issue 186: Legislative Proposal – Remove CalFresh 3-Month Time Limit

Legislative Proposal – Remove CalFresh 3-Month Time Limit. Under the rule in place since the implementation of federal welfare reform in 1996, someone receiving CalFresh and determined to have “Able-Bodied Adults Without Dependents” (ABAWD) status is time-limited to just three months of CalFresh within a 36-month period unless they meet an exemption. California has a statewide ABAWD waiver in place, but this waiver is set to expire on October 31, 2024, which would lead to many individuals losing eligibility for CalFresh benefits. This proposal would provide \$3 million one-time to create the infrastructure for state-funded California Anti-Hunger Response (CARE) benefits to prevent hunger among people who could lose eligibility for federally funded CalFresh benefits if the ABAWD time limit takes effect.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve legislative proposal.

Issue 18:7 Legislative Proposal – Infrastructure for CalFresh \$50 Minimum Benefit

Legislative Proposal – Infrastructure for CalFresh \$50 Minimum Benefit. This proposal would provide \$914,250 in one-time costs for automation needed to create a state funded CalFresh minimum benefit of \$50, in order to raise the minimum CalFresh benefit from \$23 to \$50.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve legislative proposal.

Issue 188: Legislative Proposal – Extend the CalFresh Safe Drinking Water Pilot

Legislative Proposal – CalFresh Safe Drinking Water. The CalFresh Safe Drinking Water pilot program provides a \$50 supplement to CalFresh benefits in select zip codes where residents lack access to safe drinking water. This pilot was initially funded in the 2017-18 budget and began in March 2022. The approximately 4,000 households who lack access to safe drinking water will lose this \$50 monthly supplement when the funding expires in October 2023. This proposal would provide an additional \$3 million to extend the program and prevent individuals from experiencing a drop in benefits they rely on to purchase safe drinking water.

This proposal was heard at the Subcommittee’s April 27, 2023 hearing.

Subcommittee Staff Comment and Recommendation – Approve legislative proposal. Additionally, adopt placeholder trailer bill language.

APPENDIX A – VOTE ONLY ITEMS (TABLE DISPLAY)

Issue	Org Code	Department	Title of Proposal	Staff Comment/ Recommendation
0530 Health and Human Services Agency (CalHHS)				
1	0530	CalHHS	Case Management Information and Payrolling System (GB)	This proposal was heard at the Subcommittee's March 2, 2023 hearing. AAB
2	0530	CalHHS	Statewide Automated Welfare System Ongoing Support (GB)	This proposal was heard at the Subcommittee's March 2, 2023 hearing. AAB. Additionally, adopt SRL regarding improved stakeholder engagement related to the California Statewide Automated Welfare System (CalSAWS) public-facing technology.
3	0530	CalHHS	Electronic Visit Verification Phase II	This proposal was heard at the Subcommittee's March 2, 2023 hearing. AAB
4	0530	CalHHS	California Emergency Medical Services Data Resource System (CEDRS)	This proposal was heard at the Subcommittee's March 2, 2023, and May 16th, 2023 hearings. AAB
5	0530	CalHHS	Equity-Centered Programs - Transfer to Department of Public Health	This proposal was heard at the Subcommittee's March 2, 2023 hearing. Approve and adopt modified placeholder budget bill language. Subcommittee staff recommends approving the proposed transfer of resources from CalHHS to CDPH, and adopting modified placeholder budget bill language to require the retrospective analysis conducted by CDPH with these resources to include recommendations on how to address the health disparities and

				inequities exposed and exacerbated by the COVID-19 pandemic.
6	0530	CalHHS	OSI Reorganization Name Change - Trailer Bill Language	<p>This proposal was heard at the Subcommittee's March 2, 2023 hearing.</p> <p>Adopt placeholder trailer bill language consistent with the Administration's proposal.</p>
7	0530	CalHHS	Office of the Agency Information Officer and Office of Systems Integration Resources	<p>This proposal was heard at the Subcommittee's May 4, 2023 hearing.</p> <p>AAB and Adopt placeholder trailer bill language consistent with the Administration's proposal.</p>
8	0530	CalHHS	Various Reappropriations and Technical Adjustments	<p>This proposal was heard at the Subcommittee's May 4, 2023 hearing.</p> <p>Modify. Subcommittee staff recommends modifying the Children and Youth Behavioral Health Initiative reappropriation to instead reappropriate and reallocate those funds to the Mental Health Oversight and Accountability Commission to conduct an evaluation of the impact of the initiative on the behavioral health needs and status of children and youth in California. Subcommittee staff recommends approving the other reappropriations and technical adjustments in this item as budgeted.</p>

9	0530	CalHHS	Health Innovations Initiative	<p>This proposal was heard at the Subcommittee's May 16th, 2023 hearing.</p> <p>Reject</p>
10	<p>Multiple: 4140 4170 4260 4300 5160 5180</p>	HCAI, CDA, DHCS, DDS, DOR, CDSS	Home and Community-Based Services Spending Plan: Limited Six Month Extension (MR)	<p>This proposal was heard during the Subcommittee's March 9, 2023 hearing and subsequent Subcommittee hearings.</p> <p>Modify. Extend the timeline for all programs in the HCBS Spending Plan to the maximum time allowed by the federal government, with expenditures permitted through and until December 30, 2024, making corresponding changes to the Budget Bill Language.</p>
11	0530	CalHHS	Child Welfare Services - California Automated Response and Engagement System Project (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB. Additionally, adopt modified BBL to reference a definition of “verified satisfactory progress” that will be defined in the TBL and increase the amount of project funding subject to Department of Finance’s approval and written notification to the Joint Legislative Budget Committee based on verification of satisfactory progress made on project development and implementation. Adopt corresponding placeholder TBL.</p>
12	0530	CalHHS	TBL: WIC 875 - Progress Review Hearing Technical Clarification (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>Adopt placeholder TBL consistent with the Administration's proposal.</p>
13	0530	CalHHS (OYCR)	Legislative proposal to expand responsibilities of Office of Youth and Community Restoration	<p>This issue was heard at the Subcommittee’s March 2, 2023 hearing.</p> <p>Adopt placeholder TBL.</p>

4120 Emergency Medical Services Authority (EMSA)				
14	4120	EMSA	Diversity, Equity, and Inclusion Strategic Plan Development	This proposal was heard at the Subcommittee's March 16, 2023, hearing. AAB
15	4120	EMSA	California POLST eRegistry Act - Trailer Bill Language	This proposal was heard at the Subcommittee's March 16, 2023, hearing. Adopt placeholder TBL consistent with the Administration's proposal.
16	4120	EMSA	EMSA Director and Chief Medical Officer	This proposal was heard at the Subcommittee's May 4, 2023 hearing. Approve as budgeted and Adopt modified placeholder TBL to: 1) More comprehensively update statute to assign all clinical and medical aspects of the state's EMS system to the Chief Medical Officer, and 2) Require the EMSA Director to have extensive experience in EMS, health, public health, or a related field.
17	4120	EMSA	California Emergency Medical Services Information System Maintenance and Operations	This proposal was heard at the Subcommittee's May 4, 2023, hearing. AAB
18	4120	EMSA	Staffing Allocation Resources	This proposal was heard at the Subcommittee's May 4, 2023 hearing. AAB
19	4120	EMSA	California Emergency Medical Services Central Registry	This proposal was heard at the Subcommittee's May 16, 2023 hearing. AAB
4140 Department of Health Care Access and Information (HCAI)				
20	4140	HCAI	Support for Health Workforce Education and Training Council	This proposal was heard at the Subcommittee's March 2, 2023, hearing. AAB

21	4140	HCAI	Budget Solution: Healthcare Workforce Delays	<p>This proposal was heard at the Subcommittee's March 2, 2023, hearing.</p>
				<p>Modify. Subcommittee staff recommends rejecting the Administration's proposed delays to the following programs, using expenditure authority from the Mental Health Services Fund State Administration Account or General Fund: 1) Social Work Initiative, 2) Addiction Psychiatry and Addiction Medicine Fellowships, 3) University and College Training Grants for Behavioral Health Professional, 4) Comprehensive Nursing Initiative, 5) Expand Masters in Social Work Slots at Public Schools of Social Work, 6) Nursing in Song-Brown</p> <p>Subcommittee staff recommends partially rejecting the Administration's delays for Community Health Workers (\$37.4 million in 2023-24, delay of \$92.6 million until 2024-25 and 2025-26)</p>
22	4140	HCAI	CalRx Reproductive Health Drug Procurement	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p>
				<p>AAB and Adopt placeholder TBL consistent with the Administration's proposal.</p>
23	4140	HCAI	CalRx Naloxone Initiative	<p>This proposal was heard at the Subcommittee's May 16, 2023, hearing.</p>
				<p>AAB</p>
24	4140	HCAI	Reproductive Health Workforce - Pharmacists	<p>The Department of Finance provided this proposal to the subcommittee on May 17th, so it has not been heard in a subcommittee hearing.</p>

				However, this is a technical change to statute.
				Adopt placeholder TBL consistent with the Administration's proposal.
4170 California Department of Aging (CDA)				
25	4170	CDA	Modernizing the Older Californians Act: Extend funding period to five years (GB)	This proposal was heard at the Subcommittee's March 9, 2023, hearing. AAB
26	4170	CDA	Master Plan for Aging Infrastructure and Capacity (GB)	This proposal was heard at the Subcommittee's March 9, 2023 hearing. AAB. Additionally, adopt BBL that specifies how this investment will advance equity goals in the Master Plan for Aging.
27	4170	CDA	Advancing Older Adult Behavioral Health (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing. Modify. Approve \$30.302 million General Fund for local community capacity building for older adult behavioral health; Approve \$4.5 million for the continuation of the Older Adult Friendship Line; approve \$4.7 million state operations; reject and redirect \$10.5 million for media and outreach campaign.
0530 California Health and Human Services Agency (CalHHS) 4260 Department of Health Care Services (DHCS) 4150 Department of Managed Health Care (DMHC)				
28	0530 4260 4150	CalHHS DHCS DMHC	988 Suicide and Crisis Lifeline (AB 988)	This proposal was heard at the Subcommittee's April 20, 2023, and May 17th, 2023, hearings.

				AAB and reject TBL. Subcommittee staff recommends approving the requested resources to implement AB 988, rejecting the Administration’s proposed changes to statute, and instructing the Administration to work with the author’s office to negotiate changes to this chaptered legislation.
4260 Department of Health Care Services (DHCS)				
29	4260	DHCS	May 2023 Medi-Cal Local Assistance Estimate	<p>This proposal was heard at the Subcommittee's March 16th and May 17th hearings.</p> <p>Approve the balance of the technical adjustments to the Medi-Cal Local Assistance Estimate, as updated for the May Revision, with any changes necessary to conform to other actions that have been, or will be, taken.</p>
30	4260	DHCS	May 2023 Family Health Local Assistance Estimate	<p>This proposal was heard at the Subcommittee's March 16th and May 17th hearings.</p> <p>Approve the balance of the technical adjustments to the Family Health Estimate, as updated for the May Revision, with any changes necessary to conform to other actions that have been, or will be, taken.</p>
31	4260	DHCS	Post Eligibility Treatment of Income - Trailer Bill Language	<p>This proposal was heard at the Subcommittee's March 16th hearing.</p> <p>Adopt placeholder TBL consistent with the Administration's proposal.</p>
32	4260	DHCS	Whole Child Model - Trailer Bill Language	<p>This proposal was heard at the Subcommittee's March 16th and May 17th hearings.</p> <p>Reject</p>

33	4260	DHCS	Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT)	<p>This proposal was heard at the Subcommittee's April 20th and May 17th hearings.</p> <p>AAB</p>
34	4260	DHCS	Budget Solution - Delay BH Continuum Infrastructure and Bridge Housing	<p>This proposal was heard at the Subcommittee's April 20th and May 17th hearings.</p> <p>Modify as follows:</p> <p>1) BHCIP Delay - Approve delay as budgeted.</p> <p>2) Behavioral Health Bridge Housing – Modify to allow \$250 million of expenditure authority from the Mental Health Services Fund to replace the 2023-24 General Fund allocation for Behavioral Health Bridge Housing, but reject the use of an additional \$250 million of Mental Health Services Fund, allowing the one-year delay proposed in the January budget to occur.</p>
35	4260	DHCS	CalAIM Behavioral Health Payment Reform	<p>This proposal was heard at the Subcommittee's April 20th and May 17th hearings.</p>

				<p>Modify and adopt placeholder trailer bill language. Subcommittee staff recommends approving as budgeted the requested resources to implement Behavioral Health Payment Reform system changes, and the transfer of \$375 million from the General Fund to the Medi-Cal County Behavioral Health Fund to address cashflow challenges at the outset of the new intergovernmental transfer structure. However, subcommittee staff also recommends requiring county behavioral health departments to repay the state’s General Fund investment within the 2023-24 fiscal year. Subcommittee staff also recommends adopting placeholder trailer bill language consistent with the Administration’s trailer bill proposal, as updated at May Revision.</p>
36	4260	DHCS	Specialty Mental Health Services - Foster Youth Presumptive Transfer (AB 1051)	<p>This proposal was heard at the Subcommittee's April 20th hearing.</p>
				<p>Modify. As the author and sponsors of AB 1051 are currently requesting a one-year delay of implementation of this bill, as reflected in AB 551 (Bennett), subcommittee staff recommend modifying this proposal to account for this delay and adopting modified placeholder trailer bill language to implement the one-year delay proposed in AB 551.</p>
37	4260	DHCS	Children's Psychiatric Treatment Facilities (AB 2317)	<p>This proposal was heard at the Subcommittee's April 20th hearing.</p>

				<p>Approve as budgeted and reject trailer bill language. Subcommittee staff recommends approving the requested resources to implement AB 2317, rejecting the Administration’s proposed changes to statute, and instructing the Administration to work with the author’s office to negotiate changes to this chaptered legislation.</p>
38	4260	DHCS	<p>Strengthening Oversight for Substance Use Disorder Licensing and Certification</p>	<p>This proposal was heard at the Subcommittee's April 20th hearing. Approve as budgeted and adopt modified placeholder trailer bill language consistent with the Administration’s proposal, but phasing in the fee increase no more than 20 percent per year, and adjusted for inflation after fully phased-in.</p>
39	4260	DHCS	<p>Opioid Settlements Fund State Directed Programs</p>	<p>This proposal was heard at the Subcommittee's April 20th and May 17th hearings.</p>

				<p>Modify. Subcommittee staff recommends reducing the allocation of expenditure authority from the Opioid Settlements Fund of \$15.3 million annually over four years, and reallocating to the Department of Public Health 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. (see related issue under DPH). Subcommittee staff also recommends adopting modified placeholder budget bill language authorizing the Department of Finance to augment this item by \$15.3 million for the Naloxone Distribution Project if sufficient resources are available in the Opioid Settlements Fund to support this additional expenditure.</p>
40	4260	DHCS	Drug Medi-Cal Claiming Timelines	<p>This proposal was heard at the Subcommittee's April 20th hearing.</p> <p>Adopt placeholder TBL consistent with the Administration's proposal.</p>
41	4260	DHCS	CalAIM Designated State Health Programs and Delay Facility Carve-ins	<p>This proposal was heard at the Subcommittee's April 20th hearing.</p> <p>Adopt placeholder TBL consistent with the Administration's proposal and consistent with additional rate adjustments adopted by the Legislature as part of the MCO tax proposal.</p>
42	4260	DHCS	Local Educational Agency Medi-Cal Billing Option Program Withhold Return	<p>This proposal was heard at the Subcommittee's April 20th hearing.</p>

				AAB
43	4260	DHCS	Medi-Cal Provider Interim Payment Loan Authority	This proposal was heard at the Subcommittee's April 20th hearing. Adopt placeholder TBL consistent with the Administration's proposal.
44	4260	DHCS	Nursing Facility Financing Reform	This proposal was heard at the Subcommittee's April 20th hearing. AAB
45	4260	DHCS	PACE Monitoring and Program Operations	This proposal was heard at the Subcommittee's April 20th hearing. AAB
46	4260	DHCS	Program Workload	This proposal was heard at the Subcommittee's April 20th hearing. AAB
47	4260	DHCS	Delay Two-Week Checkwrite Hold Buyback	This proposal was heard at the Subcommittee's April 20th hearing. AAB
48	4260	DHCS	Conform Statutory Estimate Requirements to Recent Program Changes	This proposal was heard at the Subcommittee's April 20th hearing. Adopt modified placeholder TBL consistent with the Administration's proposal, but requiring FFS rates to continue to be displayed separately.
49	4260	DHCS	Newborn Hospital Gateway	This proposal was heard at the Subcommittee's April 20th hearing. Adopt modified placeholder TBL consistent with the Administration's proposal, but allowing facilities to report 72 hours after birth or one business day after discharge, as well as other technical changes.
50	4260	DHCS	Acute Inpatient Intensive Rehabilitation Services	This proposal was heard at the Subcommittee's April 20th hearing.

				Adopt placeholder TBL consistent with the Administration's proposal.
51	4260	DHCS	Medi-Cal Enterprise System Modernization	This proposal was heard at the Subcommittee's April 20th hearing. AAB
52	4260	DHCS	Interoperability Federal Rule Implementation	This proposal was heard at the Subcommittee's April 20th hearing. AAB
53	4260	DHCS	Doula Services Implementation Evaluation	This proposal was heard at the Subcommittee's May 17th hearing. Adopt placeholder TBL consistent with the Administration's proposal.
54	4260	DHCS	Medical Interpreters Pilot Project - Extension	This proposal was heard at the Subcommittee's May 17th hearing. Adopt placeholder TBL consistent with the Administration's proposal.
55	4260	DHCS	Long-Term Care Facilities Rate Year Shift	This proposal was heard at the Subcommittee's May 17th hearing. Adopt placeholder TBL consistent with the Administration's proposal.
56	4260	DHCS	Assisted Living Waiver Expansion Permanent Workload	This proposal was heard at the Subcommittee's May 17th hearing. AAB
57	4260	DHCS	Control Section 4.05 Adjustment, Budget Act of 2021	This proposal was heard at the Subcommittee's May 17th hearing. AAB
58	4260	DHCS	Dental Procurement	This proposal was heard at the Subcommittee's May 17th hearing. AAB
59	4260	DHCS	Fund Source Change for CalHOPE	This proposal was heard at the Subcommittee's May 17th hearing.

				<p>Modify. Subcommittee staff recommends rejecting the shift of funding for CalHOPE to Mental Health Services Fund, but instead reallocating \$50.5 million of the \$355 million General Fund authority supporting the Behavioral Health Services and Supports Platform to support CalHOPE. Subcommittee staff also recommends adopting modified placeholder trailer bill language to require the department to report data on the impact of CalHOPE since its implementation during the pandemic.</p>
60	4260	DHCS	Behavioral Health Modernization	<p>This proposal was heard at the Subcommittee's May 17th hearing.</p> <p>Reject</p>
61	4260	DHCS	Children and Youth Behavioral Health Initiative - Fee Schedule Third Party Administrator	<p>This proposal was heard at the Subcommittee's May 17th hearing.</p> <p>Modify. Subcommittee staff recommends approving the Administration's proposal, but utilizing expenditure authority from the Managed Care Fund, rather than the General Fund, under an interagency agreement with the Department of Managed Health Care.</p>
62	4260	DHCS	Los Angeles County CARE Court Start-Up Funding	<p>This proposal was heard at the Subcommittee's May 17th hearing.</p> <p>AAB</p>
63	4260	DHCS	Contingency Management Pilot Extension	<p>This proposal was heard at the Subcommittee's May 17th hearing.</p> <p>AAB</p>
64	4260	DHCS	Virtual Services in Driving Under the Influence Program	<p>This proposal was heard at the Subcommittee's May 17th hearing.</p>

				AAB
				This proposal was heard at the Subcommittee's May 23rd hearing.
65	4260	DHCS	Managed Care Organization Tax and Provider Rate Increases	Modify. Subcommittee staff recommends adopting placeholder TBL consistent with the proposed tax on managed care organizations, but adopting modified placeholder TBL to: 1) spend all \$10.3 billion available during the tax period; 2) make additional investments in primary care rates, specialty care rates, community health workers, family planning and women's health, access to abortion services, clinic quality improvement and access, ground emergency transfers, emergency department access, inpatient psychiatric bed capacity, same day visits for community clinics, graduate medical education, allied loan repayment, Medi-Cal workforce, loan repayment, elimination of the trigger for continuous coverage for children zero to five and share of cost, various investments in mental health, private duty nursing, pediatric day health centers, air ambulance providers, community-based adult services (CBAS) centers, and non-emergency medical transportation (NEMT) providers; and 3) to address workforce issues.
66	4260	DHCS	Pediatric Subacute Facilities	This proposal was heard at the Subcommittee's April 20th hearing.
				Approve legislative proposal.
67	4260	DHCS	Let California Kids Hear - Hearing Aids for Children	This proposal was heard at the Subcommittee's April 20th hearing.

				Approve Legislative proposal and adopt modified placeholder TBL
68	4260	DHCS	Comprehensive Perinatal Services Program - 12 Month Postpartum Extension	This proposal was heard at the Subcommittee's March 16th hearing. Approve Legislative Proposal
69	4260	DHCS	Asset Limit Elimination Cleanup	Approve Legislative proposal and adopt modified placeholder TBL
70	4260	DHCS	Supplemental Reporting Language - Medi-Cal Coverage of Diapers and Period Products	Approve supplemental reporting language.
4265 Department of Public Health (CDPH)				
71	4265	CDPH	COVID-19 Response	This proposal was heard at the Subcommittee's March 16th and May 17th hearings. AAB
72	4265	CDPH	Public Health Workforce Investments Reversion - Withdrawal	This proposal was heard at the Subcommittee's March 16th and May 17th hearings. AAB, updated for May Revision, the withdrawal of the originally proposed reversion of resources.
73	4265	CDPH	Maintenance and Operations of Infectious Disease Data Systems - SMARTER Plan	This proposal was heard at the Subcommittee's March 16th hearing. AAB
74	4265	CDPH	COVID-19 Website Information Technology Resources	This proposal was heard at the Subcommittee's March 16th hearing. AAB
75	4265	CDPH	AIDS Drug Assistance (ADAP) Estimate	This proposal was heard at the Subcommittee's March 16th and May 17th hearings. AAB, as updated for May Revision
76	4265	CDPH	Fentanyl Program Grants (AB 2365)/Availability of	This proposal was heard at the Subcommittee's March 16th hearing.

			Fentanyl Test Strips and Naloxone	AAB and Adopt placeholder TBL consistent with the Administration's proposal.
77	4265	CDPH	California Harm Reduction Initiative	This proposal was heard at the Subcommittee's March 30th hearing. Approve Legislative Proposal.
78	4265	CDPH	Lead Renovation, Repair, and Painting Program (SB 1076)	This proposal was heard at the Subcommittee's March 30th and May 17th hearings. AAB and reject TBL. Subcommittee staff recommends approving the requested resources to implement SB 1076, rejecting the Administration's proposed changes to statute, and instructing the Administration to work with the author's office to negotiate changes to this chaptered legislation.
79	4265	CDPH	Genetic Disease Screening Program (GDSP) Estimate	This proposal was heard at the Subcommittee's March 30th and May 17th hearings. AAB, as updated for May Revision
80	4265	CDPH	California Newborn Screening Program Expansion	This proposal was heard at the Subcommittee's March 30th hearing. AAB
81	4265	CDPH	Women, Infants, and Children (WIC) Program Estimate	This proposal was heard at the Subcommittee's March 30th and May 17th hearings. AAB, as updated for May Revision
82	4265	CDPH	Center for Health Care Quality Estimate	This proposal was heard at the Subcommittee's March 30th and May 17th hearings. AAB, as updated for May Revision
83	4265	CDPH	Skilled Nursing Facilities Staffing Audits	This proposal was heard at the Subcommittee's May 4th hearing. AAB

84	4265	CDPH	Radiologic Health Branch Licensing and Certification	This proposal was heard at the Subcommittee's May 4th hearing.
				Adopt placeholder TBL consistent with the Administration's proposal.
85	4265	CDPH	Budget Solution - Public Health Regional Climate Planning Reversion	This proposal was heard at the Subcommittee's March 30th and May 17th hearings.
				AAB and Adopt placeholder TBL consistent with the Administration's proposal.
86	4265	CDPH	Various Technical Adjustments	This proposal was heard at the Subcommittee's May 17th hearing.
				AAB and Adopt placeholder TBL consistent with the Administration's proposal.
87	4265	CDPH	Hepatitis C Virus (HCV) Equity - Access to the Cure	This proposal was heard at the Subcommittee's March 16th hearing.
				Approve Modified Legislative Proposal.
88	4265	CDPH	Health Equity and Racial Justice Fund	This proposal was heard at the Subcommittee's March 30th hearing.
				Adopt modified placeholder TBL to establish the fund
4300 Department of Developmental Services (DDS)				
89	4300	DDS	Autism Services Branch (GB)	This proposal was heard at the Subcommittee's March 23, 2023 hearing.
				AAB. Additionally, adopt budget bill language that includes goals, milestones, and reporting on outcomes to the Legislature on a periodic basis.
90	4300	DDS	TBL: HIPPA and Information Deidentification (AB 1957) (GB)	This proposal was heard at the Subcommittee's March 23, 2023 hearing.

				Modify. Adopt placeholder TBL to add requirements for the department to aggregate purchase of service data on a statewide basis and establish a collaborative process for stakeholder engagement regarding data deidentification.
91	4300	DDS	Enhancements to Risk Management Data Collection and Tracking (GB)	<p>This proposal was heard at the Subcommittee's March 23, 2023 hearing.</p> <p>AAB. Additionally, adopt placeholder trailer bill language requiring the department to provide annual updates on special incident trends as part of quarterly legislative updates pursuant to WIC 4474.17.</p>
92	4300	DDS	Information Security Office Support (GB) (SFL)	<p>This proposal was heard at the Subcommittee's March 23, 2023 and hearing and May 4, 2023 hearing.</p> <p>AAB</p>
93	4300	DDS	Uniform Fiscal System Modernization and the Consumer Electronic Records Management System Project (GB)	<p>This proposal was heard at the Subcommittee's March 23, 2023, hearing.</p> <p>AAB. Additionally, adopt SRL requiring the department to provide quarterly written updates to the Legislature on (1) project development, scope, goals, and timelines; (2) engagement with stakeholders, including individuals and families served by the Regional Center system; (3) how the projects will work with the Regional Centers to prepare for any potential business process changes and resources they will need to incorporate the new systems into their current operations; and (4) what project risks and issues the department has identified, and how it plans to mitigate them to ensure development and</p>

				implementation progresses on time and within budget.
94	4300	DDS	TBL: Extension of 10 Crisis beds at Porterville Developmental Center (GB)	<p>This proposal was heard at the Subcommittee's March 23, 2023 hearing.</p> <p>Reject TBL. Additionally, reduce Item 4300-001-0001 by \$4.9 million consistent with this action.</p>
95	4300	DDS	TBL: Extension of 10 Crisis Beds at Canyon Springs (GB)	<p>This proposal was heard at the Subcommittee's March 23, 2023, hearing.</p> <p>Reject TBL.</p>
96	4300	DDS	TBL: Adjusting Rate Models to Reflect Increases in the Minimum Wage (GB)	<p>This proposal was heard at the Subcommittee's March 23, 2023, hearing.</p> <p>Adopt placeholder TBL consistent with the Administration's proposal. Additionally, adopt placeholder trailer bill language clarifying implementation of quality incentives for DDS rate models.</p>
97	4300	DDS	Delay of Preschool Inclusion Grants (GB)	<p>This proposal was heard at the Subcommittee's March 23, 2023 hearing.</p>

				AAB.
98	4300	DDS	Fairview Warm Shutdown (GB)	This proposal was heard at the Subcommittee's March 23, 2023 hearing.
				AAB
99	4300	DDS	STAR Home Staffing Adjustments and Intermediate Care Facility Licensure (GB)	This proposal was heard at the Subcommittee's March 23, 2023 hearing.
				AAB. Additionally, adopt placeholder TBL to specify the components of the STAR Home model that will be carried over into the Intermediate Care Facility licensure, including addressing policies around the use of mechanical restraints.
100	4300	DDS	Complex Needs Residential Program (GB)	This proposal was heard at the Subcommittee's March 23, 2023 hearing.
				AAB. Additionally, adopt placeholder TBL to define the Complex Needs Residential Program.
101	4300	DDS	Trauma-informed care for dually served youth in foster care (GB)	This proposal was heard at the Subcommittee's March 23, 2023 hearing.
102	4300	DDS	Compliance with Federal Home and Community-Based Services Requirements (SFL)	This proposal was heard at the Subcommittee's May 4, 2023 hearing.
				AAB
103	4300	DDS	Regional Centers - Coordinated Family Support Services (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				AAB
104	4300	DDS	Regional Centers-Independent Living Services (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.

				<p>AAB. Additionally, adopt BBL specifying that these funds are appropriated for the purpose of adjusting Independent Living Services rate model assumptions, by January 2024, to align the types of services provided with more equivalent occupations, such as teachers, social and human service assistants, and rehabilitation counselors.</p>
105	4300	DDS	HCBS Allocation May Revision Adjustment (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB. Additionally, adopt Budget Bill Language to extend the timeline for all programs in the HCBS Spending Plan to the maximum time allowed by the federal government, with expenditures permitted through and until December 30, 2024, pursuant to action in Issue 10.</p>
106	4300	DDS	Reappropriation - 2020-21 Community Placement Plan Funding (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB. Additionally, adopt BBL requiring written reporting to the Legislature by April 1, 2024 and at least annually thereafter, through the full expenditure of these funds, on activities funded, including the use of any vendor or other contracted service, details on housing projects and units in development and completed, and impacts for persons served, including demographic and ethnic/racial breakdowns. These updates may be conveyed to Legislative staff as part of the quarterly briefings conducted by the department pursuant to WIC 4474.17.</p>

107	4300	DDS	TBL: Parent Participation Requirement on ABA or Intensive Behavioral Intervention (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				Modify. Adopt placeholder TBL to clarify that lack of parent participation shall not be a basis for denial or delay of ABA or intensive behavioral intervention services.
108	4300	DDS	TBL: Remote Individual Program Plan Meetings Extension (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				Modify. Adopt placeholder TBL to allow for these remote meetings through the 2023-24 fiscal year, until June 30, 2024, assuming no additional cost, as the Governor's proposal for half of the fiscal year did not assume a cost.
109	4300	DDS	TBL: Rate Study Update - Family Home Agencies (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				Adopt placeholder TBL consistent with the Administration's proposal.
110	4300	DDS	TBL: Extended Suspension of Family Cost Participation Program and Annual Family Program Fee (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				Modify. Adopt placeholder TBL to continue the suspension of the fees in question through the 2023-24 fiscal year, until June 30, 2024, assuming no additional cost, as the Governor's proposal for half of the fiscal year did not assume a cost.
111	4300	DDS	TBL: Expanding Participant Directed Services to include social recreation and camping services (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				Adopt placeholder TBL.
112	4300	DDS	TBL: Regional Center Oversight - Directive Authority (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.

				<p>Modify. Adopt placeholder TBL to (1) require DDS, in consultation with stakeholders, to develop, and regional centers to adopt, standardized statewide procedures relating to intake, assessment, individual program planning, and vendorization, (2) improve collection of racial and ethnic data, (3) evaluate the availability of common services and supports across regional centers, (4) require regional centers to periodically report on intake outcomes and timelines, and (5) require regional centers to provide individuals and families with adequate notice if a determination of ineligibility is made.</p>
113	4300	DDS	TBL: Federal Education Grant Funding Distribution (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>Adopt placeholder TBL consistent with the Administration's proposal.</p>
114	4300	DDS	TBL: Complex Needs Residential Program (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>Modify. Adopt placeholder TBL to further define the Complex Needs Residential Program, including the limit of three homes; clarify that existing state buildings will not be used for these homes; and reject associated extensions of acute crisis unit at Canyon Springs.</p>
115	4300	DDS	TBL: Access to Generic Resources (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p>

				Modify. Adopt placeholder TBL to (1) repeal the requirement that an individual or family must appeal a denial of a generic service until a regional center can purchase the service, and (2) require the department to submit a plan for removing barriers to access generic resources.
4440 Department of State Hospitals (DSH)				
116	4440	DSH	Program and Caseload Adjustments	This proposal was heard at the Subcommittee's March 30th and May 16th hearings. AAB, as updated for May Revision
117	4440	DSH	Department of General Services Statewide Surcharge Adjustments	This proposal was heard at the Subcommittee's March 30th hearing. AAB
118	4440	DSH	Teleservices - Visitation and Court Hearings	This proposal was heard at the Subcommittee's March 30th hearing. AAB
119	4440	DSH	Psychiatry Workforce Pipeline, Recruitment, Hiring, and Retention	This proposal was heard at the Subcommittee's March 30th hearing. AAB
120	4440	DSH	Electronic Health Records Implementation and Operation	This proposal was heard at the Subcommittee's March 30th hearing. AAB
121	4440	DSH	Sexually Violent Predators (SB 1034)	This proposal was heard at the Subcommittee's March 30th hearing. AAB
122	4440	DSH	Increased Court Appearances and Public Records Act Requests - Continuation of Funding	This proposal was heard at the Subcommittee's March 30th hearing. AAB
123	4440	DSH	Criminal Record Information (CORI) Data - Trailer Bill Language	This proposal was heard at the Subcommittee's March 30th hearing.

				Adopt placeholder TBL consistent with the Administration's proposal.
124	4440	DSH	Metropolitan - Central Utility Plant Replacement	This proposal was heard at the Subcommittee's March 30th hearing. AAB
125	4440	DSH	Metropolitan - Fire Water Line Connection to Water Supply	This proposal was heard at the Subcommittee's March 30th hearing. AAB
126	4440	DSH	Atascadero - Sewer and Wastewater Treatment Plant	This proposal was heard at the Subcommittee's March 30th hearing. AAB
127	4440	DSH	Extend Funding for HIPAA Compliance and Accounting Workload	This proposal was heard at the Subcommittee's May 4th hearing. AAB
128	4440	DSH	Shift Funding for Patient Education from Reimbursements to Federal Funds	This proposal was heard at the Subcommittee's May 4th hearing. AAB
129	4440	DSH	Coalinga - Hydronic Loop Replacement Reappropriation	This proposal was heard at the Subcommittee's May 4th hearing. AAB
130	4440	DSH	Incompetent to Stand Trial Program Reappropriations	This proposal was heard at the Subcommittee's May 16th hearing. AAB
131	4440	DSH	Budget Solution - COVID-19 Workers Compensation	This proposal was heard at the Subcommittee's May 16th hearing. AAB
132	4440	DSH	Napa Memorial Project Reappropriation	This proposal was heard at the Subcommittee's May 16th hearing. AAB
133	4440	DSH	SB 1223 Chaptering Clean-up	This proposal was heard at the Subcommittee's May 16th hearing.

				Adopt placeholder TBL consistent with the Administration's proposal.
134	4440	DSH	Metropolitan - Consolidation of Police Operations	This proposal was heard at the Subcommittee's May 16th hearing. AAB
135	4440	DSH	Atascadero - Potable Water Booster Pump System	This proposal was heard at the Subcommittee's May 16th hearing. AAB
4700 Department of Community Services and Development (CSD)				
136	4700	CSD	Reversion of Unspent California Arrearage Payment Program (CAPP) Funding (GB)	This proposal was heard at the Subcommittee's April 13, 2023, and May 16, 2023 hearing. AAB. Approve reversion of \$549,358,000 total unexpended funds, with modification to the Administration's Budget Bill Language to specify the amount of the reverted funds.
4800 California Health Benefit Exchange (Covered CA)				
137	4800	Covered CA	Budget Solution - California Premium Subsidy Program Reversion to General Fund	This proposal was heard at the Subcommittee's March 2nd hearing. Modify and adopt modified placeholder TBL. Subcommittee staff recommends rejecting transfer of \$333.4 million from the fund, instead transferring \$714.1 million into the fund from the General Fund to reflect unspent penalty revenue, require funding to be used for subsidies in Covered California, support health care for striking workers, and authorize a loan of no more than \$880.8 million to the General Fund.
138	4800	Covered CA	One Dollar Premium Subsidy Augmentation	This proposal was heard at the Subcommittee's May 4th hearing. AAB

5160 Department of Rehabilitation (DOR)				
139	5160	DOR	Extend Cal-LEAP program	Adopt placeholder TBL.
5175 Department of Child Support Services (DCSS)				
140	5175	DCSS	Funding Increase for local child support agencies (GB)	This proposal was heard at the Subcommittee's April 13, 2023 hearing. AAB.
141	5175	DCSS	Cyber Security (GB)	This proposal was heard at the Subcommittee's April 13, 2023 hearing. AAB.
142	5175	DCSS	Update local assistance expenditures to reflect estimated increase in collections received for the federal government's share of child support recoupment (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing. AAB.
5180 Department of Social Services (CDSS)				
143	5180	CDSS	Adoption Facilitator Unit (GB) (MR)	This proposal was heard at the Subcommittee's April 13, 2023, hearing. Approve with modifications, corresponding to changes in the related TBL.
144	5180	CDSS	TBL:Adoption Facilitator Program Updates (GB)	This proposal was heard at the Subcommittee's April 13, 2023, hearing. Modify. Adopt placeholder TBL to prohibit adoption facilitators and create an enforcement mechanism.
145	5180	CDSS	CalFresh Federally Mandated Workloads (GB)	This proposal was heard at the Subcommittee's April 27, 2023 hearing. AAB
146	5180	CDSS	CalFresh for College Students Act (SB 641) (GB)	This proposal was heard at the Subcommittee's April 27, 2023 hearing.

				AAB. Additionally, adopt BBL requiring the department to explore and implement methods toward either state and campus data-sharing to identify potentially CalFresh eligible students or facilitate, to the extent possible and within existing resources and authority, similar county data-sharing with campuses.
147	5180	CDSS	California Food Assistance Program Expansion (GB)	This proposal was heard at the Subcommittee's April 27, 2023 hearing. AAB.
148	5180	CDSS	CalWORKs Federal Compliance and New Policy Support for Domestic Abuse Survivors (GB)	This proposal was heard at the Subcommittee's April 27, 2023, hearing. AAB
149	5180	CDSS	Equity Programs Workload Rightsizing (GB)	This proposal was heard at the Subcommittee's April 27, 2023, hearing. AAB
150	5180	CDSS	Home Care Fund Stabilization (GB)	This proposal was heard at the Subcommittee's March 9, 2023 hearing. AAB.
151	5180	CDSS	TBL: Home Care Fund Stabilization (GB)	This proposal was heard at the Subcommittee's March 9, 2023 hearing. Adopt placeholder TBL to monitor progress of the Home Care program.
152	5180	CDSS	Housing and Homelessness Expanded Programs and Permanent Position Funding (GB)	This proposal was heard at the Subcommittee's March 9, 2023, hearing. AAB. Additionally, adopt placeholder TBL requiring comprehensive reporting on trends in homelessness in major safety net programs and projected, and approximate outstanding housing needs unaddressed in the caseload.

153	5180	CDSS	Preventing Transfer Trauma During Facility Closure (GB)	This proposal was heard at the Subcommittee's March 9, 2023 hearing. AAB
154	5180	CDSS	Reinforce the Caregiver Background Check System and Background Check Resources (GB)	This proposal was heard at the Subcommittee's March 9, 2023, hearing. AAB. Additionally, adopt BBL requiring regular updates to legislative staff on the status of the Guardian backlog.
155	5180	CDSS	TBL: Housing Investment Power and Duties Technical Changes (GB)	This proposal was heard at the Subcommittee's March 9, 2023 hearing. Adopt placeholder TBL.
156	5180	CDSS	TBL: CalWORKs Unrelated Adult Disclosure Requirements (GB)	This proposal was heard at the Subcommittee's April 27, 2023 hearing. Modify. Adopt placeholder TBL to repeal Section 11351.5 of the Welfare and Institutions Code that addresses this issue.
157	5180	CDSS	California Statewide Automated Welfare System Migration and Ongoing Support (SFL)	This proposal was heard at the Subcommittee's May 4, 2023 hearing. AAB
158	5180	CDSS	CalSPARK Core Project Planning Resources (SFL)	This proposal was heard at the Subcommittee's May 4, 2023 hearing. AAB
159	5180	CDSS	Statewide Verification Hub Staff and Technical Resources (SFL)	This proposal was heard at the Subcommittee's May 4, 2023 hearing. AAB.
160	5180	CDSS	CalWORKs AB 85 Maximum Aid Payment 3.6 percent increase (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.

				<p>AAB. Additionally, adopt placeholder TBL removing parts of Welfare and Institutions Code 11450.027 that make the 10 percent grant increase that took effect on October 1, 2022 short-term and subject to a cut on September 30, 2024. Additionally require the display on grants against federal poverty levels to account for households where the Assistance Unit does not account for all of the people in the family, which applies to 60 percent of CalWORKs households.</p>
161	5180	CDSS	In-Home Supportive Services: improve access to services for IHSS minor recipients (MR) (includes TBL)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB. Additionally, adopt placeholder TBL consistent with the Administration's proposal.</p>
162	5180	CDSS	CalSAWS Bi-Directional Interface with Child Welfare Services - California Automated Response and Engagement System (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB</p>
163	5180	CDSS	County CalFresh Administration Rebase to reflect a revised budgeting methodology for county CalFresh administration (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB</p>
164	5180	CDSS	California Food Assistance Program: automation and outreach (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB</p>
165	5180	CDSS	CalFresh Oral Notice of Work Rules: county administration workload to	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p>

			comply with federal requirements (MR)	AAB. Additionally, adopt SRL requiring meetings between Legislative staff, client representatives, counties, anti-poverty/anti-hunger stakeholders, and the Administration to review implementation details toward understanding how the state is ensuring that the rules are being read only to the subset of CalFresh recipients to whom the federal rule applies, to avoid a chilling effect, and that this implementation is conducted in a trauma-informed manner, and not biased, offensive, or berating to the recipient population impacted.
166	5180	CDSS	Summer EBT: outreach and automation necessary to provide federally funded summer EBT benefits to school children beginning Summer 2024 (MR)	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB. Additionally, adopt placeholder TBL directing CDSS to maximize participation in the federal Summer EBT program, directing CDSS to report to the Legislature on the additional administrative cost, if any, to add an additional state supplement to the \$40 monthly per child benefit, and allowing CDSS and the Department of Education to share data for the purpose of identifying eligible students and evaluating program outcomes.</p>
167	5180	CDSS	Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment: reflect the shift in costs associated with the full cost of the Child and Family Teams component of the Behavioral Health	<p>This proposal was heard at the Subcommittee's May 16, 2023 hearing.</p> <p>AAB</p>

			CONNECT Waiver, to January 2025. (MR)	
168	5180	CDSS	Rapid Response Program Augmentation to support Southern Border Humanitarian efforts (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				AAB. Additionally, adopt BBL requiring the department to provide quarterly written updates to the Legislature on expenditures made to support rapid response services and supports, the remaining available funding, and the plan to expend the remaining funds.
169	5180	CDSS	Support for community-based organizations for services for hate incidents response (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				AAB
170	5180	CDSS	CalWORKs Single Allocation Partial Reversion (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				AAB
171		CDSS	TBL: Guaranteed Income Pilot Program: CalWORKs exemption for guaranteed income payments (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.
				Adopt placeholder TBL consistent with the Administration's proposal, that additionally requires recommendations on how the outcomes and evaluation of the Guaranteed Income Pilot Program may be utilized toward the improvement of the CalWORKs program to assist families as they seek to break the cycle of poverty for themselves and their children.
172	5180	CDSS	TBL: Tribal Dependency Representation Program Revised Methodology (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing.

				Adopt placeholder TBL consistent with the Administration's proposal, pending consultation with key stakeholders, including legislative leadership and tribal representatives.
173	5180	CDSS	TBL: Safety Net Withdrawal (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing. Reject.
174	5180	CDSS	TBL: Public Records Act Exemption for Child Care Providers United Collective Bargaining (MR)	This proposal was heard at the Subcommittee's May 17, 2023 hearing. Adopt placeholder TBL consistent with the Administration's proposal.
175	5180	CDSS	TBL: Community Care Licensing: Administrator Certification Section Training Updates (MR)	This proposal was heard at the Subcommittee's May 16, 2023 hearing. Adopt placeholder TBL.
176	5180	CDSS	Child Care Hold Harmless Expiration on June 30, 2023 (GB)	This proposal was heard at the Subcommittee's April 13, 2023 hearing. Modify. Approve placeholder TBL to revise policies to allow for reimbursement flexibility.
177	5180	CDSS	Delay of 20,000 slots (GB)	This proposal was heard at the Subcommittee's April 13, 2023 hearing. Modify. Delay slot expansion to July 1, 2024 for the 2024-25 fiscal year at no additional cost.
178	5180	CDSS	Child Care 8.22 percent COLA (GB and MR)	This proposal was heard at the Subcommittee's April 13, 2023 and May 17, 2023 hearings. Reject and repurpose funds to fund rate increase for all subsidized child care providers, inclusive of ongoing collective bargaining. Approve \$840,000 COLA for Child and Adult Care Food Program.

179	5180	CDSS	Projected Current Year Savings for General Child Care Program (MR)	<p>This proposal was heard at the Subcommittee's May 17, 2023 hearing.</p> <p>AAB</p>
180	5180	CDSS	Legislative Proposal: Child Care Rate Increase	<p>This issue was heard at the Subcommittee's April 13, 2023 hearing.</p> <p>Repurpose savings from various sources, including (1) projections of unexpended funds associated with General Child Care slots and rates, 2021-22 California Alternative Payment Program, 2022-23 family fee waiver costs, and 2022-23 COLA; (2) remaining Proposition 64 carryover; and (3) remaining CARES Act, ARPA Discretionary, ARPA Stabilization, CRRSA funding, and one-time and ongoing federal Child Care and Development Fund grant to provide a reimbursement rate increase for all subsidized child care providers, inclusive of ongoing collective bargaining between the state and Child Care Providers United. Additionally, adopt placeholder trailer bill language to make the statutory changes necessary to implement this change and prevent the reversion of any federal relief funds.</p>
181	5180	CDSS	Legislative Proposal: Child Care Family Fee Reform	<p>This proposal was heard at the Subcommittee's April 13, 2023 hearing.</p>

				Repurpose \$56 million in 2023-24 and approximately \$75 million to \$134 million ongoing Child Care and Development Fund and repurposed 2023-24 COLA funds to cap family fees at or below one percent of family income for low-income families; and forgive family fee debt from prior to the family fee suspension. Additionally, adopt placeholder trailer bill language to streamline family income verification for voucher-based programs.
182	5180	CDSS	TBL: Use of an Alternative Methodology for Child care and development programs (MR)	<p>This proposal was heard at the Subcommittee's May 17, 2023 hearing.</p> <p>Modify. Adopt placeholder TBL to specify the timeline for adopting an alternative methodology to set child care rates and allow for the Regional Market Rate to be used to set child care rates in the interim. Specify that the alternative methodology shall be aligned with the recommendations of the Joint Labor Management Committee established pursuant to WIC Section 10280.2, and is subject to JLBC approval.</p>
183	5180	CDSS	Legislative Proposal: Extend Child care pilot sunsets	Adopt placeholder trailer bill language.
184	5180	CDSS	Legislative Proposal: Resources to Address the Caregiver Background Check Backlog	<p>This proposal was heard at the Subcommittee's March 9, 2023 hearing.</p> <p>Approve legislative proposal.</p>
185	5180	CDSS	Legislative Proposal: SNB/TNB Parity	<p>This proposal was heard at the Subcommittee's March 9, 2023 hearing.</p> <p>Approve legislative proposal.</p>
186	5180	CDSS	Legislative Proposal: Remove CalFresh 3-month Time limit	This proposal was heard at the Subcommittee's April 27, 2023 hearing.

				Approve legislative proposal.
187	5180	CDSS	Legislative Proposal: Infrastructure for \$50 CalFresh Minimum	This proposal was heard at the Subcommittee's April 27, 2023 hearing.
				Approve legislative proposal.
188	5180	CDSS	Legislative Propsoal: Extend CalFresh Safe Drinking Water Pilot	This proposal was heard at the Subcommittee's April 27, 2023 hearing.
				Approve legislative proposal.