STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0092
(916) 319-2099
FAX (916) 319-2199

Assembly
California Legislature

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Agenda

Tuesday, July 13, 2021
2:30 P.M. - State Capitol, Room 437

We encourage the public to provide written testimony before the hearing. Please send your written testimony to: AsmBudget@asm.ca.gov. Please note that any written testimony submitted to the committee is considered public comment and may be read into the record or reprinted. All are encouraged to watch the hearing from its live stream on the Assembly's website at https://assembly.ca.gov/todayevents.

The Capitol will be open for attendance of this hearing. Any member of the public attending a hearing in the Capitol will need to wear a mask at all times while in the building. A moderated telephone line will be available to assist with public participation. The public may provide comment by calling the following toll-free number: ***877-692-8957, access code: 131 54 37.***

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1. Call to Order

2. Introductory Comments from Chair and Vice Chair

3. Presentation of budget items for consideration on July 15:

July 15, 2021 Floor Eligible Budget-Related Bills			Page
AB 131	Early Care and Education	SB 131	3
AB 133	Health	SB 133	7
AB 135	Human Services	SB 135	35
AB 140	Housing	SB 140	45
AB 148	Resources	SB 148	60
AB 153	Child Welfare	SB 153	64
AB 156	Broadband	SB 156	71
AB 160	Cannabis	SB 160	79
AB 164	Amendment to 2021 Budget Act	SB 164	81
AB 132	Higher Education		83

Note: The Assembly expects to also take up SB 132 (Higher Education), the contents of which were heard on July 7, 2021.

4. Member Questions and Comments
    - Erika Li, Department of Finance
    - Gabriel Petek, Legislative Analyst's Office
5. Public Comment
6. Adjournment

SENATE THIRD READING
SB 131 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

This bill is the early childhood education omnibus Budget Trailer bill for the Budget Act of 2021-22, and finalizes the transition of child care administration authority from the Department of Education to the Department of Social Services, ratifies the Child Care Providers United – California agreements, adopts child care funding rate reform policies, increases child care facility funding by $250 million, and appropriates $739 million in one-time federal funds for the Department of Education in the 2021-22 fiscal year to be transferred to the Department of Social Services for the expansion of access to child care slots.

Major Provisions

1) Transfers child care program and authority from the Education Code and the Department of Education to the Welfare and Institutions Code and the Department of Social Services including:

    a) General Child Care and Development Program
    b) Migrant Child Care and Development Program
    c) California Alternative Payment Program
    d) CalWORKS Stage 2 & 3 programs
    e) Resource and Referral agencies
    f) Local Child Care and Development Planning Councils
    g) Head Start & Early Head Start
    h) Trustline
    i) The Child and Adult Care Food Program
    j) Family Child Care Home Education Networks
    k) Child Care and Development Services for Children with Special Needs
    l) Child Care facility programs
    m) Early Learning and Care Workforce Development program
    n) Early Childhood Policy Council
    o) Lead Agency for federal Child Care and Development Fund & quality improvement projects
    p) California Child Care Initiative Project

Other major provisions:

2) Provides a statutory cost of living adjustment (COLA) of 4.05 percent for the Standard Reimbursement Rate reflecting the lost 2020-21 Budget Act COLA and a 2021-22 Budget Act COLA, beginning July 1, 2021.

3) Beginning January 1, 2022, increases all direct-contract childcare and preschool program rates, including for the school-based California State Preschool Program, to the 75th percentile of their county 2018 Regional Market Rate or the new Standard Reimbursement Rate as of December 31, 2021, whichever is highest. This policy replaces the Standard Reimbursement rate for contracts with higher county-based Regional Market rates, in the 2018 survey, beginning January 1, 2022, and is consistent with the Child Care Providers United - California bargaining contract agreed to on June 25th, 2021.

4) Adopts the 75th percentile of the 2018 Regional Market Rate survey as the funding ceiling for the CalWORKS Stages child care programs, and the California Alternative Payment Program, and is consistent with the Child Care Providers United - California bargaining contract agreed to on June 25th, 2021.

5) Amends the Child Care and Development Infrastructure Block Grant Program to be administered by the Department of Social Services to provide one-time infrastructure grant funds to child care and preschool providers to build new facilities or retrofit, renovate, repair, or expand existing facilities. A total of $250 million in one-time funding is provided in the Budget Act of 2021 for this program.

6) Waives child care family fees for the 2021-22 Budget Year.

7) Establishes a Rate Reform workgroup, to be convened by the Department of Social Services, with diverse stakeholder representation, for recommendations on rate methodology & existing program standards, including licensing standards, quality and environmental standards, and workforce competencies, the workgroup's recommendations are due to the Legislature and Administration no later than August 15, 2022, and should inform the Joint Labor Management Committee recommendations on a single reimbursement rate system.

8) Ratifies the Child Care Providers United - California bargaining contracts agreed to on April 20th and June 25th, 2021 and codifies portions of the agreements, including allocating funding appropriated in the Budget Act of 2021 for:

    a) Rate increases,
    b) $500 per provider licensing incentives,
    c) Provider stipends,
    d) $289 million in one-time funds for provider supplemental payments, including required federal funding reporting, to be allocated during the 2021-22 and 2022-23 fiscal years.
    e) Paid non-operative days and pandemic flexibilities,
    f) A hold-harmless for child attendance in all early care and learning programs,
    g) Mental health supports,
    h) California Child Care Initiative Project expansion,
    i) Training Partnership Fund
    j) Process for a Joint Labor Management Committee to provide recommendations on a single reimbursement rate system (up to $20 million in one-time federal funds is made available for these purposes) including coordination with a larger working group convened by the Department of Social Services.

9) Clarifies that all unlicensed child care providers earn 70 percent of the regional market rate ceiling.

10) Specifies that an additional $188 million in one-time funding (of this, $75.8 million is Proposition 98 General Fund and the remainder is federal funds) is provided for supplemental payments to providers, who prior to January 1, 2022 received the Standard Reimbursement Rate and are not covered by additional supplemental payments for these purposes included under the Child Care Providers United – California agreement from June 25, 2021, to be allocated between January 1, 2022 and December 31, 2023.

11) Provides $739 million in one-time federal funds for the Department of Education in the 2021-22 fiscal year to be transferred to the Department of Social Services for the expansion of access to child care slots. Of the total, $403 million is available for allocation in the 2021-22 fiscal year, and $336 million is available for allocation in the 2022-23 fiscal year.

12) Extends the Alameda County Child Care Pilot sunset date from 2022 to 2023.

13) Clarifies various Education Code sections to apply only to the California State Preschool Program, due to the child care agency transition.

14) Changes the definitions of child age eligibility for a "four year old" to maintain child care and preschool program eligibility for Transitional Kindergarten-eligible children.

15) Adds tribal representatives, licensing, Special Education Local Program Areas, county social services, local public health, regional centers, and Head Start/Early Head Start to the list of possible Quality Rating and Improvement System consortia local agencies.

16) Adopts various technical changes to the Education Code as part of the child care agency shift.

17) Allocates $10 million one-time funds to support the MyChildCarePlan.org website for resource and referral agencies.

COMMENTS

The bill is necessary to finalize the transfer of all child care programs, except for the California State Preschool Program, to the Department of Social Services, and to implement the early childhood education Budget package, including increased provider rates, 120,000 additional child care slots, and various pandemic relief and infrastructure development packages for the early childhood education system.

According to the Author

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

This bill appropriates $739 million in one-time federal funds for the Department of Education in the 2021-22 fiscal year to be transferred to the Department of Social Services for the expansion of access to child care slots. The bill authorizes $2.290 billion in rate increases and provider stipends over a two and one half year period, a total of $2.514 billion in access to new child care and preschool slots, and $250 million for child care facilities.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Erin Gabel / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 133 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

This is the omnibus health trailer bill which is necessary to implement various provisions of the Budget Act of 2021.

Major Provisions

This bill makes changes necessary to implement the Budget Act of 2021, affecting the budgets of the California Health and Human Services Agency (Agency), the Emergency Medical Services Authority (EMSA), the Health Benefits Exchange (HBEX), the Mental Health Services Oversight and Accountability Commission (OAC), the Office of Statewide Health Planning and Development (OSHPD), and the following state departments: Health Care Services (DHCS), Managed Health Care (DMHC), Public Health (CDPH), and State Hospitals (DSH).

Specifically, this bill:

California Advancing and Innovating Medi-Cal (CalAIM)

1) Establishes the CalAIM Act in order to require DHCS to seek federal approval for, and implement, the waivers for the CalAIM initiative, in accordance with the CalAIM Terms and Conditions (T&C) and existing federal law.

2) Requires DHCS to report to the Legislature any conflicts between the CalAIM Act and the CalAIM T&C, including identification of the specific conflicts and recommendations for conforming language.

3) Requires the director of DHCS to report to the Legislature any recommended amendments to existing law or any component of the CalAIM Act necessary in order to comply with federal law or the CalAIM Terms and Condition, to obtain or maintain federal approval, or ensure federal financial participation (FFP) is available or not otherwise jeopardized, as specified. Requires the director to submit the amendments to the Legislature for consideration, as specified.

4) Requires DHCS to consult with specified interested stakeholders for the implementation of applicable components of CalAIM in which the specified stakeholders will participate in, as appropriate and to the extent practicable.

5) Authorizes DHCS to standardize populations required to enroll in a Medi-Cal managed care plan (MCMC) across aid codes and MCMC models, subject to a MCMC plan readiness, continuity of care transition plan and disenrollment process developed in consultation with stakeholders, as follows:

    a. Requires, beginning January 1, 2022, non-dual eligible beneficiaries to enroll in MCMC, except as specified; and,

    b. Requires, beginning January 1, 2023, dual eligible beneficiaries to enroll in MCMC, except as specified.

6) Exempts, beginning January 1, 2022, the following dual and non-dual beneficiaries from being required to enroll in MCMC:

    a. Beneficiaries receiving restricted scope Medi-Cal;
    b. Beneficiaries made eligible on the basis of share of cost, except a non-dual eligible who is made eligible based on their need for long term care services with a share of cost;
    c. Beneficiaries made eligible by Presumptive Eligibility (PE) during their period of PE;
    d. An eligible beneficiary who is an inmate of a public institution;
    e. A beneficiary with satisfactory immigration status, as specified, who received pregnancy-only services through fee-for-service prior to January 1, 2022, but only through the end of the post-partum period;
    f. A beneficiary without satisfactory immigration status who is eligible for pregnancy-only Medi-Cal, except those enrolled in the Medi-Cal Access Program;
    g. Non-dual beneficiary who is an Indian, as defined, and forgoes voluntary enrollment in a MCMC;
    h. Non-dual eligible foster youth who forgo voluntary enrollment in a MCMC, except for those who reside in a COHS county;
    i. Non-dual eligible beneficiaries enrolled in PACE;
    j. Any other non-dual beneficiary that federal laws prohibits mandatory MCMC enrollment; and,
    k. A non-dual beneficiary residing in a Veteran's Home, as defined.

7) Exempts, beginning January 1, 2023, the following dual eligible beneficiaries from being required to enroll in MCMC:

    a. Dual beneficiaries made eligible on the basis of share of cost, except a beneficiary that is made eligible based on their need for long term care services with a share of cost;
    b. Dual beneficiaries enrolled in PACE;
    c. Dual beneficiaries enrolled in SCAN;
    d. Dual beneficiaries who are Indians, as defined, and forgo voluntary enrollment in a MCMC;
    e. Dual beneficiaries with HIV/AIDS who forgo voluntary enrollment in a MCMC;
    f. Dual eligible foster youth who forgo voluntary enrollment in a MCMC, except for those who reside in a COHS county;
    g. A dual eligible beneficiary residing in a Veteran's Home, as defined; and,
    h. Any other non-dual beneficiary that federal laws prohibits mandatory MCMC enrollment.

8) Requires DHCS to ensure MCMC readiness for network adequacy includes a geographic review of rural ZIP codes, as specified, and the plan's ability to meet existing mandatory provider type requirements. Prohibits DHCS from requiring specified populations in 5) from enrolling in managed care if MCMC fail to meet the readiness requirements for that population.

9) Requires MCMC to comply with continuity care requirements in existing law and DHCS guidance, including All Plan Letter 18-008 and Duals Plan Letter 16-002.

10) Authorizes an enrollee in any county to disenroll or be exempted from mandatory managed care enrollment under specified circumstances in accordance with existing regulations. Requires the disenrollment process to be consistent with and no more restrictive than existing federal and state laws and regulations.

11) Requires, beginning no later than January 1, 2023, in areas where PACE is available, PACE plans to be presented as an enrollment option, included in enrollment materials, and made available when enrollment choices and options are presented. Requires outreach and enrollment materials to include specified information. Prohibits an individual who has elected to enroll in PACE from being enrolled in a MCMC until they are assessed for PACE eligibility, as specified. Requires DHCS, in areas where presentation of MCMC options is not available, to provide informational, outreach, and enrollment materials about PACE.

12) Authorizes DHCS to implement requirements on managed care plans related to National Committee for Quality Assurance (NCQA) Accreditation, as follows:

    a. Authorizes DHCS, for contracting periods on or after January 1, 2026, to require Medi-Cal managed care plans (MCMC) and each MCMC subcontractor to be accredited by NCQA, in accordance with this bill and the CalAIM T&C;
    b. Authorizes DHCS to require an alternate accreditation with substantially similar requirements as NCQA accreditation, if DHCS determines a MCMC or a MCMC subcontractor is unable to receive NCQA accreditation due to population size; and
    c. Prohibits DHCS from using the findings of any accreditation authorized by this bill to certify or deem a MCMC compliance with existing state and federal requirements, except in the area of credentialing.

13) Requires DHCS to implement the Population Health Management PHM program under the Medi-Cal managed care delivery system beginning January 1, 2023, in accordance with the CalAIM Terms and Conditions. Requires each MCMC to develop and maintain a PHM program which includes a model of care and plan of action designed to address member health needs at all points along the continuum of care.

14) Requires each MCMC PHM program to, at a minimum, do all of the following:

    a. Prioritize preventive and wellness services;
    b. Identify and assess beneficiary member risks and needs on an ongoing basis;
    c. Manage beneficiary member safety and outcomes during care transitions, across all applicable delivery systems and settings, through effective care coordination; and,
    d. Identify and mitigate social determinants of health and reduce health disparities or inequities.

15) Requires DHCS to develop a statewide PHM service that expands access to available medical, behavioral, and social services data and provides access to administrative and clinical data, as specified.

16) Requires the PHM components to be developed in consultation with stakeholders, as specified.

17) Requires the PHM Program to include, but is not limited to, all of the following:

    a. Appropriate use of preventive services for children and adults, and other interventions, including chronic disease management, referrals for behavioral and oral health care services, housing, nutrition, and other health-related social needs;
    b. Risk assessment that is comparable and consistent between MCMCs;
    c. Any algorithm to conduct member risk assessment is mitigated for racial and other biases through consideration of disease burden relative to utilization and other patient

risk factors beyond cost and historical utilization. Requires DHCS to report on the underlying measures used in its algorithm;

d. Any screening tool used to assess beneficiaries is age appropriate and comparable across MCMC;
e. Each MCMC incorporates the findings of its Population Needs Assessment (PNA); and,
f. Each MCMC describes how it will incorporate preventive and wellness services in partnership with community-based organizations, public health, and other entities.

18) Requires DHCS, beginning January 1, 2024, to annually post an analysis of the PHM Program on its internet website.

19) Requires DHCS to implement an enhanced care management (ECM) benefit designed to address the clinical and nonclinical needs on a whole-person-care basis for certain target populations of Medi-Cal beneficiaries enrolled in MCMC, in accordance with this section and to the extent approved in the CalAIM Terms and Conditions.

20) Requires ECM to be available on a statewide basis to Medi-Cal beneficiaries who meet the criteria for one or more target population, as determined by DHCS and in accordance with CalAIM Terms and Conditions. Requires ECM to be available to qualifying dual eligible beneficiaries, except as specified.

21) Requires ECM to only be available as a covered Medi-Cal benefit under a comprehensive risk contract with a MCMC. Requires a beneficiary who is eligible for ECM to enroll in a MCMC in order to receive ECM.

22) Requires MCMCs to cover ECM as a benefit in phases as follows:

a. For MCMCs in counties which implemented Whole Person Care (WPC) or Health Homes Program (HHP):

i. Beginning January 1, 2022, existing target populations for WPC and HHP;
ii. Beginning January 1, 2023, select target populations for ECM identified by DHCS; and,
iii. Beginning July 1, 2023, all other target populations for ECM;

b. For MCMC in counties which did not implement WPC or HHP:

i. Beginning July 1, 2022, select target populations for ECM identified by DHCS; and,
ii. Beginning January 1, 2023 or July 1, 2023, all other target populations

23) Authorizes the ECM target populations to include, but need not be limited to, the following:

a. Children or youth with complex physical, behavioral, developmental, or oral health needs, including, but not limited to, those eligible for California Children's Services, those involved or with a history of involvement in child welfare or the juvenile justice system, or youth with clinical high-risk syndrome or a first episode of psychosis;
b. Individuals experiencing homelessness;

c. High utilizers with frequent hospital admissions, short-term skilled nursing facility (SNF) stays, or emergency room visits;
d. Individuals at risk for institutionalization and eligible for long-term care services;
e. Nursing facility residents who want to transition to the community;
f. Individuals at risk for institutionalization with serious mental illness (SMI), and children with serious emotional disturbance (SED) or substance use disorder (SUD; and,
g. Individuals transitioning from incarceration requiring immediate transition of services to the community.

24) Prohibits a beneficiary receiving ECM services from receiving duplicative targeted case management services at the same time.

25) Requires MCMCs to consult and collaborate with county MHPs for the delivery of ECM services for beneficiaries with SMI, SED, or SUD.

26) Requires a MCMC to ensure that its ECM benefit is appropriately community based and provide a rationale for not contracting with existing providers if the MCMC proposes to keep some ECM in house, rather than contracting with direct providers.

27) Requires DHCS to develop, in consultation with stakeholders, a monitoring and reporting template for the implementation of ECM. Requires DHCS to annually publish a public report on reported ECM utilization, populations served, and demographic data, as specified.

28) Authorizes, beginning January 1, 2022, a MCMC to cover services or services in settings in lieu of (also known as ILOS) Medi-Cal benefits covered in the state plan, in accordance with CalAIM Terms and Conditions. Requires the ILOS to be services or services delivered in settings approved by DHCS and to be cost effective and a medically appropriate substitute for the applicable covered Medi-Cal benefit.

29) Requires approved ILOS to be available only to beneficiaries enrolled in a MCMC under a comprehensive risk contract. Prohibits ILOS from supplanting other covered Medi-Cal benefits that are not the responsibility of the MCMC, including but is not limited to, in-home supportive services.

30) Requires ILOS to be optional services for beneficiaries and prohibits MCMCs from requiring beneficiaries from using ILOS.

31) Authorizes ILOS to include, but need not be limited to, the following:

a. Housing transition navigation services;
b. Housing deposits;
c. Housing tenancy and sustaining services;
d. Short-term post-hospitalization housing;
e. Recuperative care, or medical respite;
f. Respite;
g. Day habilitation programs;
h. Nursing facility transition or diversion to assisted living facilities, such as residential care facilities for the elderly or adult residential facilities;
i. Nursing facility transition to a home;
j. Personal care and homemaker services;

k. Environmental accessibility adaptations, or home modifications;
l. Medically supportive food and nutrition services, including medically tailored meals;
m. Sobering centers; and,
n. Asthma remediation.

32) Requires DHCS to publicly post on its website a list of ILOS offered to enrollees by each MCMC. Requires a MCMC to provide in its member handbook and on its website information on the available ILOS, including any limitations of ILOS on the MCMC website.

33) Requires DHCS to develop in consultation with stakeholders a monitoring plan and reporting template for the implementation of ILOS. Requires DHCS to annually publish a public report on ILOS utilization data, populations served and demographic data, as specified.

34) Requires DHCS, no later than January 1, 2024, to conduct an independent evaluation of the effectiveness of the ILOS.

35) Requires DHCS to take into account the utilization and actual costs of ILOS in developing capitation rates.

36) Requires DHCS to make incentive payments available to qualifying MCMCs that meet predefined milestones and metrics associated with implementation of components of CalAIM, including, but is not limited to, ECM and ILOS, as determined by DHCS and in accordance with the CalAIM T&C.

37) Requires DHCS, in consultation with specified stakeholders, to establish the methodology, equity targets, parameters, and eligibility criteria for MCMCs to meet, including any milestones and metrics, in order to receive incentive payments.

38) Authorizes the HHP to be implemented using GF for fiscal year 2021-22 and any fiscal year thereafter, upon appropriation by the Legislature.

39) Requires DHCS to sunset the HHP on January 1, 2022, or when DHCS receives any necessary federal approval to implement the ECM benefit under the CalAIM initiative. Repeals the HHP provisions in existing law on January 1, 2023.

40) Requires DHCS to implement the State Plan Dental Improvement Program (DIP) in accordance with the CalAIM T&C and this bill. Requires the DIP to further the goal of improving accessibility of Medi-Cal dental services and oral health outcomes for targeted populations and to be the successor program to the DTI.

41) Requires DHCS to publish on its website a description of the rate methodology, data used for rate development, and core actuarial assumptions and adjustments in each year DHCS develops rates.

42) Authorizes DHCS to establish regional capitation rates to contracted MCMC in lieu of health plan and county-specific rates. Requires DHCS to report to the Legislature, prior to implementing the regional-based capitation rates, the process for developing those regional rates and determining regional groups.

43) Requires DHCS to provide a briefing to specified stakeholders on the actuarial assumptions and rate methodologies that initially implement regional-based capitation rates, following the submission of the rates to the federal government for approval. Requires the meeting to be for explanatory purposes only and not to otherwise impact the methodology and data provided to the federal government for approval.

44) Authorizes DHCs to develop and implement appropriate actuarial methods to prevent significant overpayment or significant underpayment, including but is not limited to, any of the following:

    a. Medical or profit and loss risk corridor;
    b. Blended capitation rates based on projected member risk; or,
    c. Prospective or retrospective shared savings or risk models.

45) Requires the actuarial methods or models to seek to encourage quality improvement and promote appropriate utilization incentives, as specified.

46) Requires DHCS to consult with affected contracted health plans in developing the regional groups, rate methodologies, and actuarial methods, as specified. Requires DHCS to seek to incentivize improved quality and outcomes for Medi-Cal enrollees. Implements the new requirements of this section only to the extent that necessary federal approvals are obtained and FFP is not jeopardized.

47) Declares the intent of the Legislature that both affected contracted health plans and the state have appropriate actuarial protections against the risk of significant overpayments or underpayments in capitation rates developed by DHCS pursuant to this section and existing law.

48) Requires DHCS to establish and implement a program or programs under which a contracting District and Municipal Public Hospital (District Hospital) may earn performance-based quality incentive payments (QIP) from a MCMC plan.

49) Requires DHCS, to the extent federal financial participation (FFP) is available, to continue to implement the Global Payment Program (GPP) using federal disproportionate share hospital funds during the term of the next federal waiver known as the CalAIM term, shifts the GPP to a calendar year, and authorizes DHCS to seek federal approval for, and implement, additional funding and program components for GPP systems that support and further the objectives of CalAIM and GPP.

50) Permits a hospital that is operated by the University of California, and its affiliated and contracted providers, to elect to participate as a GPP system during the CalAIM term by providing written notice to DHCS no later than June 1 of the calendar year immediately preceding the subject GPP program year.

51) Continues existing certified public expenditure (CPE) Medi-Cal fee-for-service (FFS) payment provisions to designated public hospitals and extends existing disproportionate share payment provisions from Medi-Cal 2020 (the prior waiver) to the duration of the term of the new CalAIM waiver.

52) Requires, for the 2020–21 state fiscal year, and subsequent state fiscal years or portions thereof during the CalAIM Term, the amount of the federal disproportionate share hospital allotment

for payments to University of California hospitals to be determined by DHCS, in consultation with designated public hospitals and consistent with the applicable federal terms and conditions.

53) Requires DHCS to standardize those applicable covered Medi-Cal benefits provided by MCMC plans on a statewide basis and across all models of MCMC.

54) Prohibits DHCS from transferring specialty mental health services (SMHS) from Kaiser to Solano and Sacramento counties on July 1, 2022 until specified requirements have been met including the shift of county SMHS financing from certified public expenditures (CPEs) to intergovernmental transfers (IGTs), until each county and Kaiser has submitted a transition plan to DHCS, and notices have been provided to affected beneficiaries that include the ability of beneficiaries to request continuity of care.

55) Requires DHCS to include (or continue to include) the following benefits and services as capitated benefits in MCMC plans:

    a. Institutional long-term care (LTC) services (effectively broadening the existing incorporation of these benefits into MCMC plans in non-COHS and non-CCI counties), effective January 1, 2023;
    b. Specified donor and recipient organ transplant surgeries, effective January 1, 2022; and,
    c. To continue to include Community-Based Adult Services (CBAS) as a MCMC plan benefit.

56) Requires MCMC plans, for a 3 year timeframe, to reimburse a network provider furnishing institutional LTC services, and a provider furnishing organ or bone marrow transplant surgeries, and requires those respective providers to accept the payment amount, each respective provider would be paid for those services in the Medi-Cal FFS. Permits DHCS to elect to continue these payment requirements after the end of the three year period.

57) Requires each applicable MCMC plan to reimburse a network provider furnishing CBAS to a Medi-Cal beneficiary, and requires each network provider of CBAS to accept the payment amount the network provider of CBAS would be paid for the service in the Medi-Cal FFS delivery system, unless the MCMC plan and network provider mutually agree to reimbursement in a different amount.

58) Requires DHCS to convene, in collaboration with the Department of Developmental Services (DDS), a workgroup to address the transition of specified intermediate care facilities for the developmentally disabled from the Medi-Cal FFS delivery system to the MCMC plan delivery system to ensure a smooth transition to CalAIM.

59) Requires CBAS to be delivered in accordance with applicable state and federal law including, but not limited to, specified federal Home and Community-Based Settings regulations and related sub-regulatory guidance and any amendments.

60) Requires the Multipurpose Senior Services Program to be a FFS benefit by prohibiting the proposed transition of MSSP to MCMC plans.

61) Sunsets the Coordinate Care Initiative (CCI) demonstration project and Cal MediConnect (CMC is a component of CCI) on December 31, 2022, and related provisions, including the

authority for DHCS to enter into a contract with a combined Medicare/Medi-Cal plan authorized by CMC, the passive enrollment ("opt out"), disenrollment and exemptions from enrollment provisions in CMC, subject to federal approval.

62) Authorizes MCMC plans in the seven CCI counties, for the 2022 contract year and the remainder of the demonstration project, to transition beneficiaries enrolled in their affiliated non-Dual Eligible Special Needs Plan Medicare Advantage plans on or before January 1, 2022, into their affiliated Dual Eligible Special Needs Plan (a D-SNP plan is a type of Medicare Advantage plan for individuals that are dually eligible for Medi-Cal and Medicare that must enter into a contract with the state and which must coordinate the delivery of Medicare and Medicaid services).

63) Sunsets and modifies, effective December 31, 2022, existing CCI related D-SNP provisions, including lifting the enrollment caps on Fully-Integrated D-SNPs in Los Angeles, Riverside and San Bernardino counties, effective July 1, 2021, during the duration of CMC.

64) Requires DHCS to offer D-SNP contracts to D-SNP plans for the remainder of CCI (until December 31, 2022) subject to the provisions of this bill described below in the aligned enrollment provisions.

65) Sunsets, effective December 31, 2022, the mandatory enrollment of dual eligibles in MCMC plans for their Medi-Cal benefits in CCI counties, and the related enrollment and notification provisions, the provider-related provisions and reporting requirement-related provisions, and the risk corridor related provisions.

66) Requires DHCS, commencing January 1, 2023, to require each MCMC plan operating in the seven CCI counties to operate, or continue to operate, a D-SNP in accordance with the CalAIM T&C, and in accordance with federal requirements. Permits DHCS, commencing January 1, 2026 in the 51 non-CCI counties, to require each MCMC plan to operate, or continue to operate, a D-SNP in accordance with the CalAIM T&C, and in accordance with federal requirements.

67) Requires each D-SNP to have an executed contract with DHCS (referred to as a State Medicaid Agency Contract or "SMAC"). Exempts a subcontracted delegate health plan from this requirement.

68) Requires DHCS, in CCI counties, beginning in contract year 2023, to only contract with a proposed D-SNP that is affiliated with a MCMC plan or a subcontracted delegate health plan, or that was contracted with DHCS for a D-SNP in contract year 2022 in the proposed D-SNP service area.

69) Limits, in CCI counties, beginning with contract year 2023, dual eligible beneficiaries that are not already enrolled in a D-SNP for contract year 2022 to only be able to enroll in a D-SNP that is affiliated with a MCMC plan or a subcontracted delegate health plan.

70) Requires, in CCI counties, beginning with contract year 2023, a dual eligible beneficiary to be assigned to a MCMC, or subcontracted delegate health plan, that is affiliated with the Medicare Advantage plan, including a D-SNP, in which the dual eligible beneficiary is enrolled. Permits DHCS to approve exceptions to this policy, to support beneficiary enrollment choice.

71) Requires DHCS, in non-CCI counties, beginning no later than contract year 2025, to only contract with a proposed D-SNP that is affiliated with a MCMC plan or subcontracted delegate health plan, or was contracted with DHCS for a D-SNP in the proposed D-SNP service area in the contract year that immediately precedes the contract year in which this requirement is implemented with respect to an individual county.

72) Requires a dual eligible beneficiary, in non-CCI counties, beginning no later than contract year 2026, to be assigned to a MCMC plan or a subcontracted delegate health plan that is affiliated with the Medicare Advantage plan, including a D-SNP, in which the dual eligible beneficiary is enrolled. Permits DHCS to approve exceptions to the requirement when it determines necessary to support beneficiary enrollment choice.

73) Limits, in non-CCI counties, beginning no later than contract year 2025, dual eligible beneficiaries not already enrolled in a D-SNP in 2020 in an individual county, to only enrolling in a D-SNP that is affiliated with a MCMC plan, or a subcontracted delegate health plan, in the beneficiary's service area. Prohibits, beginning no later than contract year 2025, a D-SNP that is not affiliated with a MCMC plan or a subcontracted delegate health plan from accepting new enrollment of dual eligible beneficiaries.

74) Requires DHCS to conduct a feasibility study of D-SNPs in specific non-CCI counties as determined by DHCS, to be completed no later than July 1, 2022.

75) Permits DHCS, as a result of the study findings, or evidence provided by a MCMC plan of the potential for significant financial losses that may be incurred by a MCMC plan as a result of operating a D-SNP, and evidence provided by a MCMC plan that the plan has made a good faith effort but is not able to develop a partnership with a D-SNP for coordinated care across Medicare and Medi-Cal, to provide an exemption from the requirement to operate a D-SNP on an individual plan basis for a period of three years. Permits DHCS to renew this exemption for successive three-year periods based on study findings or evidence of potential losses, and evidence of a good faith effort.

76) Requires DHCS or the MCMC plan as applicable, to provide informing notices to affected beneficiaries regarding MCMC plan enrollment changes related to aligned enrollment to ensure dual eligible beneficiaries are fully informed regarding aligned enrollment.

77) Requires DHCS, beginning in contract year 2023, to include requirements for network adequacy, aligned networks, and continuity of care in the SMAC. Requires these requirements to be developed in consultation with affected stakeholders.

78) Requires DHCS to contract with public or private entities in assisting dual eligible beneficiaries in understanding their health care coverage options, overcoming access to care barriers, and addressing eligibility and enrollment barriers.

79) Requires DHCS to convene a workgroup including plans, providers, and consumer stakeholders to discuss transition to a statewide Managed Long-Term Services and Supports and D-SNP structure.

80) Requires DHCS to continue the Drug Medi-Cal Organized Delivery System (DMC-ODS) and the Specialty Mental Health Services (SMHS) program as a component of DHCS' CalAIM proposal.

81) Requires the following nonspecialty mental health services to be covered by a MCMC plan, or available through the Medi-Cal FFS delivery system for beneficiaries not enrolled in a MCMC plan or for services that are carved out from a MCMC plan's comprehensive risk contract:

    a. Individual and group mental health evaluation and treatment, including psychotherapy, family therapy, and dyadic services;
    b. Psychological testing, when clinically indicated to evaluate a mental health condition;
    c. Outpatient services for the purposes of monitoring drug therapy;
    d. Psychiatric consultation;
    e. Outpatient laboratory, drugs, supplies, and supplements.

82) Requires covered nonspecialty mental health services for adult beneficiaries with mild-to-moderate distress or mild-to-moderate impairment of mental, emotional, or behavioral functioning resulting from mental health disorders, as defined by the current edition of the Diagnostic and Statistical Manual of Mental Disorders, to be provided by a MCMC plan or through the Medi-Cal FFS delivery system.

83) Requires a MCMC plan to provide medically necessary nonspecialty mental health services to enrolled beneficiaries under 21 years of age as required under the federal EPSDT obligation.

84) Requires a MCMC plan to also be responsible for providing covered nonspecialty mental health services to enrolled beneficiaries with potential mental health disorders not yet diagnosed.

85) Requires medical necessity for covered benefits in Medi-Cal county behavioral health delivery systems to be governed in accordance with existing law and with new provisions enacted by this bill which over-ride existing restrictions on eligibility and reimbursement that exist in specialty mental health plan regulation, such as the limited number of diagnoses, the requirement for a diagnosis as a condition of reimbursement, restrictions on reimbursement of treatment during the assessment process, the current level of impairment required to access SMHS, and by including new criteria to expand eligibility for services for children and youth under age 21, such as when a beneficiary has a condition placing them at high risk for a mental health disorder due to experiencing trauma evidenced by scoring in the high-risk range under a trauma screening tool, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness.

86) Requires covered services provided under a county Drug Medi-Cal Treatment Program or a Drug Medi-Cal organized delivery system (DMC-ODS) to use criteria adopted by the American Society of Addiction Medicine (ASAM) to determine the appropriate level of care for substance use disorder treatment services.

87) Requires covered services provided under a county Drug Medi-Cal Treatment Program or a DMC-ODS to include all medically necessary substance use disorder services for an individual under 21 years of age as required under the federal EPSDT obligation.

88) Prohibits a full assessment utilizing the criteria adopted by ASAM from being required for a beneficiary to begin receiving services through a Drug Medi-Cal Treatment Program or a DMC-ODS.

89) Requires DHCS to develop a standardized screening tool for initial intake for services, and a standardized transition tool for care transitions between MCMC plans and county MHPs, and permits DHCS to require their use.

90) Requires DHCS to develop documentation standards and changes to DHCS' clinical auditing standards, and permits restrictions that are developed in consultation with the representatives of county behavioral health systems, on what Medi-Cal Behavioral Health Delivery Systems impose on their contract providers, consistent with MCMC plans and taking into account the need to ensure quality, program integrity, and address equity and disparities.

91) Exempts DHCS, for Medi-Cal behavioral health systems, from the existing law requirement that takes effect July 1, 2022 that DHCS revise or adopt existing medical necessity regulations, and instead requires regulations applicable to the Medi-Cal behavioral health system to be developed by July 1, 2024. Requires DHCS to use guidance without taking regulatory action to implement the above provisions and the associated CalAIM T&C until regulations are developed.

92) Requires DHCS to design and implement an intergovernmental transfer (IGT)-based methodology for claiming federal Medicaid funds to replace the use of certified public expenditures (CPEs) for claims associated with covered SMHS and DMC-ODS services provided through Medi-Cal, for implementation no sooner than July 1, 2022.

93) Requires the total IGT-funded payment amount, which includes the federal and nonfederal share, paid to a Medi-Cal behavioral health delivery system to be for the support of behavioral health-related services and activities that benefit patients served by the Medi-Cal behavioral health delivery system, consistent with federal law.

94) Requires DHCS to establish, implement, and administer the Behavioral Health Quality Improvement Program (BHQIP) to provide grants to county behavioral health delivery systems for purposes of preparing those entities and their contracting health care providers for implementation of the BH components included in the DHCS CalAIM initiative, and for the purposes of implementing changes to the mental health delivery system in the Children and Youth Behavioral Health Initiative.

95) Imposes requirements on counties to assist with Medi-Cal applications following release from correctional institutions, as follows:

96) Requires, effective January 1, 2023 each county board of supervisors, in consultation with specified entities, to designate an entity or entities to assist county jail inmates and juvenile inmates in county juvenile facilities with submitting an application for, or otherwise facilitating their enrollment in Medi-Cal and Covered California.

97) Requires DHCS to develop the data elements required to implement the application process related provisions, in consultation with interested stakeholders that include representatives of counties, county sheriffs, county probation agencies, and whole person care pilot lead entities with experience working with incarcerated individuals.

98) Requires DHCS, counties, county sheriffs, and county probation agencies to share the information and data necessary to facilitate the enrollment of individuals in Medi-Cal and Covered California on or before their data of release and to suspend and un-suspend Medi-Cal coverage for beneficiaries.

99) Requires DHCS, no sooner than January 1, 2023, in consultation with counties, probation departments, MCMC plans, and Medi-Cal behavioral health delivery systems, to develop and implement a mandatory process by which county jails and county juvenile facilities coordinate with MCMC plans and Medi-Cal behavioral health delivery systems to facilitate continued behavioral health treatment in the community for county jail inmates and juvenile inmates that were receiving behavioral health services before their release.

100) Permits the sharing of health information, records, and other data with and among counties, MCMC plans, Medi-Cal behavioral health delivery systems, and other authorized providers or plan entities to be permitted to the extent necessary. Requires DHCS to issue guidance identifying permissible data-sharing arrangements.

101) Requires DHCS, commencing no sooner than July 1, 2021, in consultation with representatives of county welfare departments, the Statewide Automated Welfare Systems, and other interested stakeholders, to initiate the planning process to prioritize the automation of Medi-Cal suspensions for incarcerated individuals into the California Healthcare Eligibility, Enrollment, and Retention System (CalHEERS), and requires this change to be reflected in both the CalHEERS 24-Month Roadmap Initiatives and the County Eligibility Worker Dashboard.

102) Requires DHCS, in consultation with representatives of county welfare departments and other affected stakeholders, to develop and make publicly available a dashboard that reflects each county's performance in meeting existing Medi-Cal application and eligibility-related processing measures.

103) Requires DHCS, in consultation with counties and other affected stakeholders, to develop and implement specified performance, reporting and budgetary measures, quality assurance review with a tiered enforcement framework for corrective action to enhance oversight and monitoring of county administration of the California Children's Services (CCS) program.

104) Requires DHCS to convene a workgroup consisting of counties and other applicable stakeholders to develop and implement one or more initiatives designed to improve the collection and use of beneficiary demographic and contact information in administering the Medi-Cal program and other applicable public assistance programs.

105) Requires DHCS to make incentive payments, grants, or other financial support available to qualified entities or providers under the Providing Access and Transforming Health (PATH) program to support services, infrastructure, and capacity building in advancing and complimenting select goals and components of CalAIM.

106) Requires DHCS, in consultation with affected entities and providers, to establish the methodologies, parameters, and eligibility criteria for PATH payments, in accordance with the CalAIM T&C.

107) Permits, for purposes of PATH payments made, qualified entities or providers to include, but need not be limited to, counties, MCMC plans, designated public hospital systems, community-based organizations, county sheriffs, adult and juvenile correctional facilities, or chief probation officers, to the extent approved in the CalAIM T&C.

108) Permits the nonfederal share of PATH payments to consist of voluntary intergovernmental transfers of funds provided by eligible governmental agencies or other public entities.

109) Makes a qualifying inmate of a public institution eligible to receive targeted Medi-Cal services for 90 days, or the number of days approved in the CalAIM T&C if fewer than 90 days, prior to the date they are released from a public institution, if the inmate is otherwise eligible for those services under Medi-Cal.

110) Limits the targeted Medi-Cal services made available to qualifying inmates to those services approved in the CalAIM T&C.

111) Requires DHCS to arrange for an independent, third-party evaluation of the hypotheses and outcomes associated with providing targeted Medi-Cal services to qualifying inmates as described in the CalAIM T&C.

OSHPD Recast and Modernization

112) Renames OSHPD the Department of Health Care Access and Information;

113) Eliminates the health care workforce clearing house and establishes the California Health Workforce Research and Data Center;

114) Establishes uniform requirements for the reporting and collection of workforce data from health care-related licensing boards to the data center, and requires the department to maintain the confidentiality of this data and authorizes the department to release the information in aggregate form only;

115) Dissolves the Health Professions Education Foundation and authorizes the department to continue various Foundation programs; and

116) Eliminates the California Healthcare Workforce Policy Commission and replace it with the California Health Workforce Education and Training Council, including changing its membership composition and authorizes the council to make recommendations to the department regarding the use of health care education and training funds.

Health Professions Career Opportunity Program

117) Requires the Health Professions Career Opportunity Program to be implemented at colleges and universities, as specified.

Health Equity and Quality in Managed Care

118) Requires DMHC, on or before March 1, 2022, to convene a Health Equity and Quality Committee, as follows:

a. Requires the Committee to make recommendations to the department for standard health equity and quality measures, including annual benchmark standards for assessing equity and quality in health care delivery; and

b. Requires DMHC to consider the committee's recommendations and to establish standard measures and annual benchmarks for equity and quality in health care delivery.

119) Requires a health care service plan, including Medi-Cal managed care plans not licensed by DMHC, to annually submit to DMHC a report containing equity and quality data and information;

120) Requires DMHC to review a health care service plan's equity and quality report to determine the plan's compliance with the health equity and quality report to determine the plan's compliance with DMHC's equity and quality standard measures and annual benchmarks;

121) Authorizes DMHC to take certain actions against a health care service plan that does not demonstrate compliance with the requirements of the bill, including corrective action plans and administrative penalties;

122) Requires DMHC, beginning in 2025 and annually thereafter, to publish on its website a Health Equity and Quality Compliance Report; and

123) Authorizes DMHC to implement these provisions by means of all-plan letters or similar instructions, without taking regulatory action until January 1, 2027.

Medi-Cal Benefits

124) Expands, on July 1, 2021, the Medi-Cal schedule of benefits to include over-the-counter cough, cold, and acetaminophen-containing products.

125) Expands the Medi-Cal schedule of benefits to include rapid Whole Genome Sequencing for any Medi-Cal beneficiary who is one year of age or younger and is receiving inpatient hospital services in an intensive care unit. Authorizes DHCS to implement this provision by various means without taking regulatory action.

126) Repeals obsolete law that requires DHCS to seek federal approval to expand the adult Alcohol Misuse Screening and Behavioral Counseling Interventions in Primary Care (within Medi-Cal) to include screening for misuse of opioids and other illicit drugs, reflecting federal requirements to do the same.

Electronic Visit Verification (EVV)

127) Authorizes DHCS to partner and contract with specified governmental entities, including the Department of Social Services, in order to comply with federal requirements on EVV.

128) Requires Medi-Cal providers, who render services that are subject to EVV, to comply with requirements on EVV and authorizes DHCS and its partners to take prescribed action, such as a corrective action plan, against a provider's noncompliance with these requirements.

129) Authorizes DHCS and its partners to enter into contracts to implement these provisions, and to implement these provision by various means, including provider bulletins.

Medi-Cal Post-Payment Recovery

130) Adds all health entities licensed by the Department of Insurance, third-party administrators, and union trusts to the list of "other health coverage entities" that are legally responsible for payment of a claim for a health care service and are required to provide specified information to DHCS, at DHCS's request, upon certification by DHCS that the information pertains to an

individual who is an applicant for, recipient of, or legally responsible person for an applicant for, or recipient of, Medi-Cal services.

131) Adds new categories of information that other health coverage entities are required to maintain about a subscriber, policyholder, enrollee, or insured.

132) Requires other health coverage entities to enter into a cooperative agreement with DHCS for the provision of specified information, and requires that the information required by these cooperative agreements be provided to DHCS within 90 days of DHCS's request, at no cost to DHCS, and elimination of the existing reimbursement provisions.

133) Requires that the subscriber policyholder, enrollee, or insured's information maintained in the centralized file be provided to DHCS at least once a month in a format specified by DHCS; also requires this information be provided to DHCS's agents and Medi-Cal managed care plans upon reasonable request.

134) Requires specified entities to provide DHCS with real-time, electronic eligibility verification, at no cost, and in a form and manner specified by DHCS.

135) Authorizes DHCS to implement these requirements by means of policy letter, information notice, or other similar instruction, without taking any further regulatory action.

Medi-Cal Eligibility Expansions

136) Extends Medi-Cal eligibility for full-scope Medi-Cal benefits to an individual who is 50 years of age or older, who does not have satisfactory immigrant status or is unable to establish satisfactory immigration status, but is otherwise eligible, once the director determines that systems have been programmed for implementation, and no sooner than May 1, 2022. Provides that individuals enrolled under this category are not required to file a new application for the Medi-Cal program and requires enrollment to be conducted pursuant to a prescribed eligibility and reenrollment plan; and requires DHCS to provide monthly updates to the Legislature.

137) Expands eligibility for Medi-Cal services for one year following the end of a pregnancy, regardless of having a diagnosis for a maternal mental health condition, but restores the requirement for a maternal mental health diagnosis should this provision discontinue. Commences this expanded eligibility the later of April 1, 2022, or another date approved by the federal government.

Elimination of Program Suspensions

138) Deletes the potential suspensions of various health programs, unless specified conditions were to apply, as follows:

a. Various Medi-Cal optional benefits on December 31, 2021;

b. Medi-Cal pregnancy-related and postpartum services for one year following the end of a pregnancy, for individuals who have been diagnosed with a maternal mental health condition, on December 31, 2021; and

c. Proposition 56-funded Medi-Cal payments for physician services, dental services, home health providers, and value-based payment programs on July 1, 2021.

Pharmacy Medication Therapy Management (MTM)

138) Adds MTM pharmacist services, provided in conjunction with the dispensing of qualified specialty drugs, to the list of covered pharmacist services under the Medi-Cal program.

139) Exempts pharmacists providing MTM from the pharmacy reimbursement methodology.

140) Requires DHCS to implement an MTM reimbursement methodology for covered pharmacist services related to the dispensing of qualified specialty drugs by an eligible pharmacy contracted with the department.

141) Requires DHCS to establish and maintain protocols and utilization controls, a list of covered specialty drug therapy categories, rates of reimbursement, and eligibility criteria and conditions for receipt of MTM pharmacist services reimbursement.

Medi-Cal Telehealth

142) Requires DHCS to seek federal approvals to extend the Public Health Emergency-approved flexibilities related to the delivery and reimbursement of services via telehealth modalities until December 31, 2022.

143) Requires DHCS to convene an advisory group to provide recommendations to inform DHCS on establishing and adopting billing and utilization management protocols for telehealth modalities.

144) Authorizes DHCS to enter into contracts or amend existing contracts, for purposes of implementing these provisions and exempts those contracts from specified provisions of law.

Long-Term Care Facilities

145) Makes changes conforming to federal law related to the Money Follows the Person Program, including reducing the requirement that an individual has resided in an inpatient facility from 90 to 60 days in order to qualify for community transition assistance.

146) Requires a long-term health care facility to timely comply with a hearing decision, as issued by DHCS's Office of Administrative Hearings and Appeals, that finds that the facility improperly transferred, discharged, or refused to readmit a resident.

147) Specifies that if a facility fails to timely comply with a hearing decision, authorizes DHCS to assess penalties of $750 for each calendar day the facility fails to comply with the hearing decision.

148) Requires a facility to file a specified certification of compliance with DHCS, and requires DHCS to make a certificate of compliance available on its website, and provides that the facility's failure to provide the certification of compliance would be subject to the penalty.

149) Authorizes DHCS to deduct penalties from Medi-Cal payments, and to take into account the financial condition of the facility.

150) Authorizes DHCS to waive assessed penalties if the facility petitions for a waiver and DHCS makes a determination that the facility meets certain requirements.

151) Requires DHCS to refund any penalties paid by a facility if the hearing decision is reversed on appeal.

152) Requires that the penalty revenue be used for improving the quality of long-term care services under the Medi-Cal program.

Medically Tailored Meals (MTM) Pilot Program

153) Requires, for 2021-22, DHCS to implement the Short-Term Medically Tailored Meals Intervention Services Program to provide grants to entities providing MTM intervention services to eligible Medi-Cal beneficiaries with specified health conditions, who reside in specified counties.

154) Requires eligible beneficiaries to receive MTM service for 12-52 weeks, depending on diagnosis and need.

155) Authorizes DHCS to implement additional eligibility requirements and to use data to identify eligible beneficiaries.

156) Requires providers to monitor and document the impacts of this program and provide that information to DHCS.

157) Requires DHCS to develop a methodology for reimbursing contractors for services and requires DHCS to allocate 5 percent of the funding to a nonprofit organization fiscal sponsor to coordinate the program.

158) Ends this program on the date DHCS submits its report to the Legislature, or 12 months after the end of the MTM Pilot Program, or the Short-Term MTM Pilot Program, whichever occurs last.

Medi-Cal Dental Managed Care

159) Requires the department to extend dental managed care contracts in Sacramento and Los Angeles Counties until December 31, 2022, and to secure these extensions on a sole source basis.

160) Authorizes DHC to implement the dental managed care program by specified means, such as information notices, without taking any further regulatory action.

Office of Medicare Innovation and Integration

161) Establishes the Office of Medicare Innovation and Integration in DHCS; and

162) Specifies the duties of the Office, including to provide focused leadership and expertise on innovative models of care for Medicare beneficiaries in California, to develop innovative approaches to integrated models of care, and others.

Medi-Cal Assets Test Elimination

163) Prohibits the use of resources, including property or other assets, to determine Medi-Cal eligibility for applicants or beneficiaries whose eligibility is not determined using the modified adjusted gross income (MAGI)-based financial methods;

164) Requires DHCS to seek federal authority to disregard all resources as authorized by flexibilities in federal law; and

165) Authorizes DHCS to implement these provisions by various means, including provider bulletins, without taking regulatory action.

Medi-Cal Reimbursement Rates

166) Requires, beginning July 1, 2022, reimbursement rates for laboratory services to not exceed the lowest of enumerated criteria, including 100 percent of the lowest maximum allowance established by the federal Medicare program for the same or similar services;

167) Requires, for 2021-22, DHCS to establish the reimbursement rates for laboratory services at the rates in effect and approved in the Medi-Cal State Plan as of December 31, 2019; and

168) Prohibits DHCS from retroactively implementing reimbursement reductions and from recouping overpayments for laboratory services.

169) Exempts providers of complex rehabilitative technology (CRT) and CRT services from an existing ten percent rate reduction adopted in 2011, beginning January 1, 2022, or when federal approval is received if later;

170) Repeals and recasts provisions related to the reimbursement and utilization controls for CRT, to be consistent with durable medical equipment;

171) Imposes certain accreditation, staff, supply, and other types of requirements for CRT providers;

172) Recasts qualified rehabilitation professionals as qualified health care professionals and qualified rehabilitation technology professionals, and requires both types of professionals to be involved in the evaluation of complex needs patients who receive a complex rehabilitation manual wheelchair, power wheelchair, or seating component; and

173) Authorizes DHCS to adopt utilization controls, including a specialty evaluation by a qualified health care professional.

174) Eliminates the Medi-Cal rate freeze in statute for Intermediate Care Facilities for the Developmentally Disabled (ICF-DD) and freestanding pediatric subacute care units, beginning August 1, 2021, and specifically:

a) Requires DHCS to calculate and publish the reimbursement rates, plus the projected cost of complying with new state or federal mandates for all facilities affected by these provisions;
b) Requires that Medi-Cal reimbursement rates for these facilities be inclusive of Proposition 56 (2016 tobacco tax) supplemental payments in any year in which the Budget Act includes Proposition 56 funds for DHCS to make such payments;
c) Requires that there be no rate reduction for ICF-DDs in the 2021-22 fiscal year; and
d) Authorizes DHCS to modify these provisions as necessary to either ensure federal financial participation or to not jeopardize federal financial participation, and requires DHCS, if making modifications, to consult with affected providers and stakeholders to the extent practicable.

Medi-Cal Mobile Optometric Services

175) Authorizes a mobile optometric office that meets certain requirements to be enrolled in the Medi-Cal program as either a mobile optometric office or within any other provider category for which the applicant or provider qualifies.

Public Health

176) Removes a statutory requirement that all duties and responsibilities of the Office of Suicide Prevention be carried out using existing staff and resources.

177) Requires any reduction in Proposition 56 revenue allocated to the Office of Oral Health be backfilled by continuously appropriating moneys from the General Fund in an amount equivalent to the reduction in Proposition 56 revenue, such that the total funding for the state dental program remains at $30 million annually.

178) Expands eligibility for the AIDS Drug Assistance and Pre-Exposure Prophylactic programs for subsidized medications to include individuals who have the medication dispensed or otherwise furnished.

179) Repeals the requirement on physicians to report newborn infant patients' diagnoses of rhesus isoimmunization hemolytic disease to CDPH.

180) Eliminates the sunset on the Parkinson's Disease Program, in order to transition the program into the California Neurodegenerative Disease Registry Program, which requires CDPH to collect data on the incidence of neurodegenerative diseases in California. Requires hospitals, physicians and other health care providers to report diagnoses and treatment of patients for a neurodegenerative disease to CDPH. Sunsets the Neurodegenerative Disease Registry on January 1, 2028.

181) Authorizes CDPH to procure cooperative agreements without a request for application or a request for proposals if CDPH is awarding the agreement under the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to an entity that currently has an agreement with the specific WIC local agency. Requires agreements for new WIC local agencies to be procured by means of a process that complies with applicable federal and state laws and the state plan for operation of WIC.

182) Exempts contracts from Public Contracts Code requirements that are entered into to support activities that address lesbian, bisexual, and queer women's health disparities.

"End the Epidemics"

183) Expands the existing grant program for the prevention and control of sexually transmitted infections (STIs) from just local health jurisdictions (LHJs) and community-based organizations (CBOs) to also include nonprofit health care providers.

184) Adds an eligibility requirement for STI grantees to have engaged representatives from impacted communities in the development of outreach activities.

185) Requires local health jurisdictions to use STI funds to facilitate expanded access to STI clinical services, including, but not limited to, for LBGTQ+ populations and for those who

face confidentiality barriers in using their health coverage to receive STI testing, treatment, and related care.

186) Authorizes CDPH to use funding that supports the syringe exchange clearinghouse not just for supplies, but also to cover any costs associated with the distribution of supplies.

187) Authorizes the use of ADAP Rebate Funds for additional HIV prevention programs established in law, including authorizing CDPH, if sufficient funds are available, to allocate funds to LHJs and CBOs to support HIV pre-exposure prophylaxis (PrEP) and post-exposure prophylaxis (PEP) navigation and retention coordinators and related services.

188) Authorizes PrEP and PEP navigation and retention services to include, but not be limited to: outreach and education; community messaging; assistance with applying for and retaining health coverage; assistance with enrollment in PrEP and PEP financial assistance programs; care coordination and adherence support; financial assistance for transportation costs; and linkage to behavioral health and substance use treament, housing, and other social service programs.

189) Requires the Office of AIDS to establish a simple application process for LHJs and CBPs to receive funding to support PrEP and PEP navigation and retention coordinators and related services, and establishes eligibility qualifications for LHJs and CBOs.

190) Requires PrEP and PEP grantees to collaborate with the Office of AIDS to conduct outcome and process evaluations of these grants and services, and requires the OA to establish performance metrics and to measure program success. Authorizes the OA to contract with a third-party entity to provide training, technical assistance, and capacity building to grantees.

191) Requires CDPH, in consultation with the California Department of Aging (CDA), to establish demonstration projects to improve the health and well-being of older people living with HIV, by addressing both their clinical and nonclinical needs. Requires CDPH to establish a request for applications process in order to make competitive grants for this purpose.

192) Requires the HIV and aging demonstration projects to operate for up to three years, and to include an evaluation component and a plan for disseminating lessons learned.

193) Authorizes the CDPH Office of Viral Hepatitis Prevention (OVHP) to purchase hepatitis C virus (HCV) test kits and associated materials and supplies for distribution to LHJs and CBOs. Requires the OVHP to establish a simple application process to apply to receive HCV test kits.

194) Authorizes the OVHP to allocate funding to train LHJ and CBO personnel on conducting testing on HCV, HIV, and STIs, and related activities.

195) Authorizes the OVHP, if funding is insufficient to cover all applications, to prioritize applications based on geographic need and demonstrated capacity to provide culturally appropriate services to one or more of the communities most vulnerable to HCV.

Physician Orders for Life Sustaining Treatment (POLST) Electronic Registry

196) Enacts the California POLST eRegistry, which requires EMSA to establish a statewide electronic POLST registry system for the purpose of collecting a patient's POLST information and disseminating it to authorized users;

197) Requires EMSA to promulgate regulations for the operation of the eRegistry; and

198) Appropriates $10 million General Fund for 2021-22 to support the planning, development, and implementation of the eRegistry, and continuously appropriates $750,000 General Fund annually thereafter to support the eRegistry.

State Hospitals Provisions

199) Authorizes DSH to amend a contract with a county to fund the expansion of an existing department-funded pretrial diversion.

200) Authorizes expansion of existing DSH-funded pretrial diversion programs for participants that have been found incompetent to stand trial on a felony charge and suffer from a mental disorder.

201) Authorizes a county expanding its programs to not be required to meet match funding requirements.

202) Authorizes DSH to re-evaluate a mentally incompetent defendant in person or by video telehealth if the defendant is in county custody and has been committed to and awaiting admission to DSH for 60 days or more.

203) Requires county jails to provide DSH confidential access to the defendant for evaluation, include via remote access capabilities at the jail.

204) Requires DSH to provide funding at a rate set by DSH for reimbursement of information technology support and a portion of staff time used to facilitate telehealth interviews and evaluations of felony defendants.

205) Requires a mentally incompetent defendant in the custody of DSH, for whom there is no substantial likelihood of restoration of competency or who, after a specified interval of treatment, has not been restored to mental competence, to be returned to the custody of the county.

206) Authorizes DSH to charge a county that fails to take custody of such a defendant a daily rate for any time that the defendant remains in DSH custody.

207) Eliminates a relative's financial liability for a patient in a state hospital and their authorization to inspect specified investigative reports at any time.

208) Authorizes DSH to transfer a conservatee, who is a patient in one state institution, to another institution without the consent of the conservator.

209) Requires Agency, with DSH, to convene an Incompetent to Stand Trial (IST) Solutions Workgroup to identify short-term, medium-term and long-term solutions to advance alternatives to placing those defendants at a DSH facility. Requires the Workgroup to submit a report to the Agency and the Department of Finance by November 30, 2021 outlining recommendations on short-term, medium-term and long-term solutions.

210) Requires that if the Secretary of the Agency determines that the recommendations cannot be completed, or insufficient progress has been made, and that IST commitments continue to exceed available capacity, DSH maintains an IST admission waitlist that exceeds capacity, or

IST defendants are not able to receive timely access to treatment, then Agency is authorized to: a) discontinue admissions for new patients under Welfare and Institutions Code 5358; b) impose reduction targets for these patient admissions; and c) charge a 150 percent daily bed rate for admissions of these patients.

211) Authorizes DSH to contract with private or public entities to house and treat individuals committed to DSH, including for subacute bed capacity, including, but not limited to, institutions for mental disease, mental health rehabilitation centers, skilled nursing facilities, or any other treatment options. Authorizes grantees to use grant funds for: a) program implementation costs; b) one-time purchases of furnishings and equipment; c) recruitment and training of staff; and d) operating expenses.

212) Authorizes the Department of State Hospitals (DSH) to maintain jurisdiction over a facility under contract with DSH, excluding community-based restoration of competency services that are operated by the county.

Covered California Provisions

213) Requires HBEX to make payments to qualified health plan issuers that equal the cost of providing abortion services for which federal funding is prohibited to individuals enrolled in a qualified health plan through the HBEX in the individual market, and prohibits the payments from being less than $1 per enrollee per month.

214) Establishes the Health Care Affordability Reserve Fund, and authorizes the Controller to use funds from this Fund for cash-flow loans to the General Fund.

215) Requires the Controller to transfer $333,439,000 from the General Fund to the Health Care Affordability Reserve Fund, and requires that these funds be used for the purpose of health care affordability programs operated by HBEX.

216) Requires HBEX, in consultation with stakeholders and the Legislature, to develop options for providing cost sharing reduction subsidies to reduce cost sharing low- and middle-oncome Californians, and requires HBEX to report the developed options to the Legislature, Governor, and the Healthy California for All Commission for consideration in the 2022-23 budget process and post the report on its website.

217) Extends the authority of the HBEX board to adopt emergency regulations to January 1, 2025. Authorizes the Office of Administrative Law to approve more than 2 re-adoptions of emergency regulations until January 1, 2030.

218) Requires OSHPD to make data reported from hospitals available to HBEX and requires HBEX to ensure that patients' rights to confidentiality are not violated and to comply with all policies and requirements involving review and oversight of the State Committee for the Protection of Human Subjects. Requires HBEX to report to the Governor and Legislature on or before August 1, 2023 regarding the impact of these requirements on the Exchange.

Health Information Exchange

219) Makes findings and declarations related to health information exchange (electronic health data transfer) and its value to the quality of health care as well as to addressing social determinants of health.

220) Requires Agency, in consultation with stakeholders and local partners, on or before July 1, 2022, subject to an appropriation in the annual Budget Act, to establish the California Health and Human Services Data Exchange Framework that includes a single data sharing agreement and common set of policies and procedures that will govern and require the exchange of health information among health care entities and government agencies in California.

221) Requires specified entities to execute the framework data sharing agreement on or before January 31, 2023, and requires, on or before January 31, 2024, that specified entities, including general acute care hospitals and skilled nursing facilities, exchange health information, as defined, in real time. Requires other specified entities, including physician practices of fewer than 25 physicians and rehabilitation hospitals, to meet this standard on January 31, 2026.

222) Requires Agency to convene a stakeholder advisory group no later than September 1, 2021, to advise on the development and implementation of the framework and requires Agency, no later than April 1, 2022, to submit an update to the Legislature based on the input received from the stakeholder advisory group.

223) Requires Agency, on or before January 31, 2023, to work with the California State Association of Counties to encourage the inclusion of county health, public health, and social services data in the California Health and Human Services Data Exchange Framework.

Children and Youth Behavioral Health Initiative

224) Makes findings and declarations related to the impacts of the pandemic on behavioral health needs and increased demand for services, especially for children and youth. Establishes legislative intent to establish an innovative and prevention-focused behavioral health system where all children and youth are routinely screened, supported, and served for emerging and existing behavioral health needs due to the pandemic.

225) Establishes the Children and Youth Behavioral Health Initiative Act, intended to transform California's behavioral health system into an innovative ecosystem in which all children and youth 25 years of age and younger, regardless of payer, are screened, supported, and served for emerging and existing behavioral health needs. Specifies that the initiative include the following key components:

a) Establishes a behavioral health services and supports virtual platform and requires DHCS to procure and oversee a vendor to establish and maintain the platform that integrates screenings, application-based supports, and direct services to children and youth;
b) Authorizes DHCS, or its contracted vendor, to award competitive grants for school-linked partnership, capacity, and infrastructure to support implementation of behavioral health services in schools. Defines entities eligible to receive these grants to include counties, city mental health authorities, tribal entities, local educational agencies, institutions of higher education, publicly funded childcare and preschools, health care service plans, community-based organizations, and behavioral health providers;
c) Requires DHCS to make incentive payments to qualifying Medi-Cal managed care plans to implement interventions that increase access to preventive, early intervention, and behavioral health services by school-affiliated behavioral health providers for children in publicly funded childcare, preschool, and schools with grades TK-12;

d) Requires DHCS to develop and maintain a school-linked statewide fee schedule for outpatient mental health or substance use disorder treatment provided to children and youth 25 years of age or younger at a schoolsite (as defined);
e) Requires DHCS to develop and select evidence-based interventions and community-defined promising practices to improve outcomes for children and youth with, or at high risk for, behavioral health conditions;
f) Requires DHCS to target funding to qualified entities serving individuals 25 years of age and younger through the Behavioral Health Continuum Infrastructure Program (also established through this bill);
g) Requires implementation of a comprehensive and culturally and linguistically proficient, public education and social change campaign; and
h) Requires investments in behavioral health workforce, education, and training, including a multiyear plan to launch and implement a statewide school behavioral health counselor system.

226) Authorizes OSHPD to award competitive grants to entities and individuals it deems qualified to expand the supply of behavioral health counselors, coaches, peer supports, and other allied health care providers who provide behavioral health services to children and youth.

227) Defines "behavioral health coach" as a new category of provider trained specifically to help address the unmet behavioral health needs of children and youth, who shall engage and support children and youth in cultural, linguistic, and age-appropriate services, and refer and link children to higher levels of care, as needed. Requires coaches to receive appropriate supervision from licensed staff.

228) Requires health plans and insurers that are required to cover treatment services for behavioral health disorders for children and youth, up to age 25 (excluding those enrolled in Medi-Cal), to cover these services when delivered at school sites according to the fee-for-service reimbursement schedule published by DHCS.

229) Requires health plans and insurers to reimburse the local educational agency or institution of higher education for providing behavioral health treatment to children and youth at school sites. Prohibits health plans and insurers from requiring prior authorization for behavioral health services provided at school sites, however authorizes a post-claim review to determine appropriate payment of the claim.

230) Authorizes a health plan or insurer to deny payment for services only if the plan determines that the eservices were provided to a student not enrolled in the plan, were never performed, or were not provided by an appropriately-licensed or authorized health care provider.

231) Requires health plans and insurers to reimburse local educational agencies or institutions of higher education for these services at the greater of: 1) the plan's contracted rate with the entity; or 2) the fee-for-service rate published by DHCS.

232) Prohibits these services from being subject to copayment, coinsurance, deductible, or any other form of cost sharing, and prohibits billing of the enrollee or subscriber.

233) Requires DHCS and the State Insurance Commissioner to issue guidance to health plans and insurers on compliance with this program by December 31, 2023.

234) Requires dyadic behavioral health visits to be a covered benefit under the Medi-Cal program, subject to utilization controls, beginning no sooner than July 1, 2022.

235) Describes the dyadic services benefit as a family- and caregiver-focused model of care intended to address developmental and behavioral health conditions of children, and that fosters access to preventive care for children, child social-emotional health and safety, parenting, and maternal mental health. Specifies that dyadic visits are provided to the child and caregiver or parent and seek to address the social determinants of health.

236) Makes reforms to the Mental Health Student Services Act, including discontinuing it as a competitive grant program and continuing it as a non-competitive grant program, and authorizes the OAC to award a grant not just to a county mental health or behavioral health department, but also to another lead agency as identified by the partnership within each county.

237) Requires each application implementation plan, in addition to existing requirements, to include information on how the partnership will collaborate with preschool and childcare providers, or other early childhood service organizations, to ensure the mental health needs of children are met before and after they transition to a school setting.

238) Requires the OAC, in determining the distribution of funds in the 2021-22 fiscal year, to take into consideration any previous funding the grantee received under this program. Authorizes the OAC, if it is unable to provide a grant to a partnership in a county due to the lack of applicants or the lack of qualified applicants within the timeframes required, to redistribute the funds to other eligible grantees.

239) Requires the OAC, in addition to the existing reporting requirement by March 1, 2022, to provide an updated status report to the Legislature on the progress of implementation of this program no later than March 1, 2024.

Behavioral Health Continuum Infrastructure

240) Establishes legislative intent to provide competitive grants for the construction, acquisition, and rehabilitation of real estate assets to support the community continuum of behavioral health treatment resource needs due to the pandemic.

241) Authorizes DHCS to establish the Behavioral Health Continuum Infrastructure Program, contingent on legislative appropriation of funds for this purpose.

242) Authorizes DHCS to award competitive grants to qualified entities to construct, acquire and rehabilitate real estate assets or to invest in needed mobile crisis infrastructure to expand the community continuum of behavioral health treatment resources to build new capacity or expand existing capacity for: short-term crisis stabilization; acute and subacute care; crisis residential; community-based mental health residential; substance use disorder residential; peer respite; mobile crisis; community and outpatient behavioral health services; and other clinically enriched longer-term treatment and rehabilitation options, for persons with behavioral health disorders in the least restrictive and least costly setting.

243) Requires DHCS to determine the methodology and distribution of the grant funds for this program, and establishes eligibility criteria for grant applicants, including: providing matching funds or real property; not supplanting existing funds to construct, acquire, and rehabilitate real estate assets; reporting data to DHCS within 90 days of the end of each quarter for the first

five years; and operating services in the financed facility for the intended purpose for a minimum of 30 years.

244) Authorizes DHCS to implement this program by means of information notices, without taking any further regulatory action, and to enter into exclusive or nonexclusive contracts, or amend existing contracts on a bid or negotiated basis, exempted from Public Contract Code requirements and review or approval of the Department of General Services.

245) Deems projects funded by this program to be consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

246) Provides that the California Environmental Quality Act shall not apply to a project, including a phased project, funded by a grant pursuant to this program if the following requirements are satisfied: a) the project is not acquired by eminent domain; b) the project applicant demonstrates that the project is, and will continue to be, licensed by and in good standing with DHCS or other state licensing entity at the time, and for the duration, of occupancy, and that the facility shall be in decent, safe, and sanitary condition at the time of occupancy; c) all contractors and subcontractors performing work on the facility will be paid prevailing wages and will use a skilled and trained workforce; d) the project applicant submits to the lead agency a letter of support from a county, city, or other local public entity; e) not less than 95 percent of the total cost of any new construction, facility acquisition, or rehabilitation is paid for with public funds, private non-profit funds, or philanthropic funds; f) there are long-term covenants and restrictions that require the project to be used to provide behavioral health treatment for no less than 30 years, and those covenants and restrictions may not be amended or extinguished by a subsequent title holder, owner, or operator; and g) the project does not result in any increase in the existing onsite development footprint of structures or improvements.

General Provisions

247) Declares that this bill makes appropriations related to the Budget Bill, and is to take effect immediately as a Budget Bill.

248) Makes provisions severable and makes other legislative findings and declarations.

249) Provides that no reimbursement is required for certain mandates required by this act.

250) Finds and declares that Section 2 of this act imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article 1 of the California Constitution, and declares that this is done in order to protect the privacy of licensees, while also gathering useful workforce data.

COMMENTS

This bill is a budget trailer bill within the overall 2021-22 budget package to implement actions taken affecting health-related departments and other state entities. This bill implements major new initiatives and expansions to health services and programs, including the CalAIM initiative, the reorganization of OSHPD into the new Department of Health Care Affordability and Information, the expansion of Medi-Cal to all income-eligible adults aged 50 and older, regardless of

immigration status, and the Children and Youth Behavioral Health Initiative. This bill implements numerous other health-related provisions associated with the Budget Bill of 2021.

According to the Author

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

This bill implements many health programs and policies that are tied to expenditures in the budget bill. The following are expenditures for some of the items included in this bill:

- Children and Youth Behavioral Health Initiative – approximately $4.5 billion (GF and FF) over 5 years
- Behavioral Health Continuum Infrastructure – approximately $1.4 billion in 2021-22
- CalAIM – $664.1 million GF in 2021-22
- Medi-Cal Eligibility Expansion – $1.3 billion GF (full-year, full implementation, 2024-25)
- Medi-Cal Assets Test Elimination – $197 million GF (full-year, 2022-23)
- Medi-Cal Clinical Laboratory Rates – $18 million GF one-time and $3 million GF ongoing
- OSHPD Reorganization and Modernization – $574,000 GF in 2021-22 and $486,000 GF in 2022-23 and ongoing
- Health Careers Opportunity Program – $16 million GF ongoing
- POLST eRegistry – $10 million GF one-time and $750,000 GF ongoing
- Office of Suicide Prevention – $2,780,000 GF ongoing
- Neurodegenerative Disease Registry – $8 million GF one-time

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Andrea Margolis / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 135 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

This is the Human Services Omnibus trailer bill to accompany appropriations made in the 2021 Budget Act.

Major Provisions

This bill does the following:

1. Revises current law to uniformly refer to certification programs as administrator certification training programs administered under the California Community Care Facilities Act by the State Department of Social Services (DSS). Revises the existing fee structure, commencing July 1, 2021, including making the $100 fee for processing a certification application or renewal subject to a 10% increase each year for four years, and imposing a new examination fee of $100 for three attempts, and a $10 per unit fee for processing continuing education courses. Subject the fees for administrator certification training program vendor applications and continuing education vendor training programs to a 10% increase over four years.

2. Authorizes a California Work Opportunity and Responsibility to Kids (CalWORKs) applicant or recipient, commencing July 1, 2021, to provide proof of identity via videoconferencing or any other electronic means that allows for a visual interaction between the applicant or recipient and county eligibility staff. Verification conducted in this manner would satisfy any inperson identification requirement.

3. Increases the amount of excluded earned income from $90 to $450, effective July 1, 2022, as specified, for applicants in the CalWORKs program. States legislative intent to achieve full alignment eventually between applicants and recipients in the CalWORKs program in the amount of earned income that is disregarded for eligibility determination.

4. Requires the DSS to automate a one-time process that allows former CalWORKs recipients excluded from an existing assistance unit due to the formerly applicable 48-month time limit, but who have fewer than 60 countable months of time on aid in CalWORKs, to be added to the existing assistance unit if all information needed to complete an eligibility determination is in the case record and all other eligibility requirements have been met. This will occur when the extension of the time limit increases from 48 to 60 months on May 1, 2022 or upon a specified notification to the Legislature from the DSS. Cases and counties will have 120 days to complete this process of reincluding eligible adults to assistance units.

5. Increases the 180-day limit to up to six months, or a time period as determined by the DSS, beginning July 1, 2022 in the CalWORKs program for funding for the care of a needy relative with whom a needy child is living, and makes those eligible parents to also be eligible for the payment of aid and specified childcare services. These benefits are provided in the interest of family reunification. Requires the DSS to issue comprehensive policy, fiscal, and claiming instructions to the counties before July 1, 2022, and to notify

the Legislature when the Statewide Automated Welfare System has automated to implement this policy.

6. Requires, if a family does not include a needy child qualified for aid under CalWORKs, that aid be paid to any pregnant person as of the date of the application for aid. Authorizes a pregnant person to satisfy the pregnancy verification by means of a sworn statement or, if necessary, a verbal attestation, followed by medical verification. Requires a person who receives aid pursuant to these provisions to report the end of a pregnancy to the county within 30 days and would discontinue this aid at the end of the month following the month in which the person makes that report.

7. Increases the current CalWORKs supplement for a pregnant person from $47 to $100 per month and would discontinue this supplement at the end of the month following the month in which a person reports the end of their pregnancy.

8. Makes the provisions for CalWORKs pregnant persons operative on certain dates in 2022 or when the DSS certifies that the California Statewide Automated Welfare System can perform the necessary automation.

9. Increases the CalWORKs maximum aid grant amounts, effective October 1, 2021, by an additional 5.3%.

10. Requires that a nonfraudulent CalWORKs overpayment that is established for a current CalWORKs case on or after August 1, 2021 would, for the benefit months of April 2020 to the end of the proclamation of a state of emergency related to the COVID-19 pandemic, or June 30, 2022, whichever date is sooner, be classified as an administrative error.

11. Authorizes a county to establish an overpayment only if the overpayment occurred within 24 months before the date that the county discovered the overpayment, except in cases involving overpayment due to fraud, commencing July 1, 2022, or the date the DSS notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement this policy, whichever date is later. Prohibits a county from collecting any portion of a nonfraudulent overpayment that occurred more than 24 months prior to the date the county discovered the overpayment. Authorizes the DSS to implement these provisions by all-county letters or similar instructions until regulations are adopted, and would require the DSS to adopt emergency regulations no later than January 1, 2023, and to subsequently promulgate final regulations.

12. Requires, no later than November 1, 2021, the DSS to convene and facilitate a Cal-OAR steering committee to make recommendations to the Legislature on how to implement the CalWORKs Outcomes and Accountability Review (Cal-OAR) and CalWORKs 2.0 principles and practices statewide and prioritize recommendations made by the Cal-OAR stakeholder group.

13. Requires a statewide CalWORKs training effort acknowledging and addressing the intentional shift to a trauma-informed, anti-racist, anti-stigma, and implicit bias-aware culture and climate in the program, geared towards positive outcomes for child and family health and well-being. Requires the DSS to enter into one or more contracts to develop this training no later than July 1, 2022 and to share a plan developed with stakeholders with the Legislature by December 1, 2022.

14. Declares that it is the intent of the Legislature to consider approaches to the state's management of the federal work participation rate to diminish its negating effects on the intentional culture and program shift for the CalWORKs program.

15. Requires, for the CalWORKs program, the number of hours per case per month of case work time budgeted for intensive cases to be incrementally increased, as specified, and as of July 1, 2024, contingent on continued phase-in approved in the 2023-24 budget year and after, be 10 hours.

16. Requires, for the 2021–22 fiscal year, upon order of the Director of Finance, the Controller to transfer $450,000,000 from the General Fund to the Safety Net Reserve Fund.

17. Requires the DSS to use funds allotted to the state from the Pandemic Emergency Assistance Fund, established by the American Rescue Plan Act of 2021 to assist needy families impacted by the COVID-19 pandemic, and appropriated by the Legislature for this purpose in the Budget Act of 2021, to make a flat rate one-time payment to each CalWORKs assistance unit that is an active assistance unit on the date of eligibility. Requires the amount of the one-time payment to be based on the funds available and the most recent caseload data, as determined by the DSS. Requires the DSS to submit a written report to the Legislature, no later than November 1, 2021, that would include specified information relating to the one-time payments.

18. Requires, as of January 1, 2023, a local child support agency to cease enforcement of child support arrearages and otherwise past due amounts owed to the state that the Department of Child Support Services (DCSS) or the local child support agency has determined to be uncollectible. Requires the DCSS to adopt regulations to implement these changes by July 1, 2024, and authorizes the DCSS to implement and administer these changes through a child support services letter or similar instruction until regulations are adopted.

19. Specifies that a child support agency is authorized to substitute original signatures of the agent of the local child support agency with any form of electronic signature. Effective July 1, 2021, authorizes a child support agency to substitute any original signatures, including those of the support obligors or obligees, with a printed copy or electronic image of an electronic signature obtained in compliance with certain requirements. Requires the local child support agency that elects to substitute original signatures to maintain the electronic form of the document bearing the original electronic signature until the final disposition of the case and to make it available for review upon the request of the court or any party of the action or proceeding.

20. Continues to extend the suspension of the additional 5% payments for the 10 counties with the best performance standards through the 2021–22 and 2022–23 fiscal years. These payments have been suspended for the 2002–03 to 2020–21 fiscal years, inclusive.

21. Requires the DCSS to distribute support collections received on or after May 1, 2020, in accordance with specified federal law that requires specified arrearages to be paid to the family, and specified excess amounts to be retained by the state or paid to the federal government, in such a manner as to distribute all support collections to families first to the maximum extent permitted by federal law.

22. Repeals the conditional suspension for December 31, 2021 that had applied to the Emergency Child Care Bridge Program for Foster Children program.

23. Extends eligibility for the In-Home Supportive Services (IHSS) program to individuals who are eligible for state-only funded full-scope Medi-Cal benefits and meet all other IHSS program eligibility criteria.

24. Repeals statute regarding the possible implementation of a 7% reduction in authorized hours of service to each IHSS recipient and all related references. Additionally, repeals those provisions relating to the reduction in authorized hours, the assessment on home care services, and the IHSS Reinvestment Fund.

25. Revises the guiding principles related to the implementation of an electronic visit verification system (EVV system) for IHSS, pursuant to the federal 21st Century Cures Act, to electronically verify specified information with respect to Medicaid-funded personal care services and home health care services provided by the state, or lose a percentage of federal Medicaid funding, by deleting the prohibition regarding the utilization of geotracking or Global Positioning System capabilities. Requires the DSS to collaborate with stakeholders to identify the least intrusive manner to record the location of in-home supportive service delivery at the time service begins and ends each day, and would exempt certain in-home supportive service providers from the EVV system requirements.

26. Requires the DSS, in consultation with stakeholders, to create, and provide to the Legislature, the framework for a permanent provider backup system. Prohibits the implementation of a permanent backup provider system until statutes are enacted to define the parameters of this service, including the criteria and circumstances when those services may be approved for a recipient who is authorized to receive in-home supportive services.

27. Reenacts previously authorized provisions regarding an employee organization that fails to reach agreement on a bargaining contract with in-home supportive service workers and requires a mediation process, as specified, to be held if a public authority or nonprofit consortium and the employee organization fail to reach an agreement on a bargaining contract on or after October 1, 2021. Revises the amount of the withholding of the 1991 Realignment funds to 7% and would subject a county to this withholding of 1991 Realignment funds on October 1, 2021, if the factfinding panel's recommended settlement terms were released prior to June 30, 2021, and that county has not reached an agreement with the employee organization within 90 days after the release. Requires the Public Employment Relations Board to provide written notification of the withholding to the county, the employee organization, the Department of Finance, and the State Controller.

28. Expands the limitation for IHSS state-county cost-sharing arrangements on the 10% state participation to allow no more than two three-year periods that commence before, and no more than two three-year periods that commence on or after, the date the state minimum wage reaches $15. Deletes subsequent County IHSS Maintenance of Effort (MOE) adjustments that otherwise would have applied when the $15 minimum wage takes effect on January 1, 2022.

29. Increases, commencing January 1, 2022, the amount of aid paid under the State Supplementary Program for the Aged, Blind, and Disabled (SSP), provided in supplementation of federal Supplemental Security Income (SSI) benefits, that is in effect on December 31, 2021, less the federal benefit portion received, by a percentage increase that the State Department of Social Services and the Department of Finance determines can be accomplished with $291,287,000. Requires those departments to notify specified

legislative committees and the Legislative Analyst's Office of the final percentage increase effected by the appropriation in the Budget Act of 2021 for the purposes of implementing the increase. Additionally provides, subject to an appropriation in the Budget Act of 2023, an additional grant increase commencing January 1, 2024, subject to the same calculations, notifications, and implementation as the first increase.

30. Requires the California Department of Aging (CDA), subject to an appropriation of funds for this purpose in the annual Budget Act, to administer the Access to Technology Program for older adults and adults with disabilities, a pilot program to connect older adults and adults with disabilities to technology to help reduce isolation, increase connections, and enhance self-confidence. Requires funds appropriated for the program to be provided to county human services departments that opt to participate, and requires the funds to be used for, among other things, providing technology to older adults and adults with disabilities.

31. Creates the Long-Term Care Patient Representative Program and the Office of the Long-Term Care Patient Representative in the CDA to train, certify, provide, and oversee patient representatives to protect the rights of nursing home residents.

32. Makes current provisions regarding a skilled nursing facility or intermediate care facility resident who lacks capacity to make decisions inoperative no later than July 1, 2022 and instead requires the physician and surgeon to document the determination that the resident lacks capacity in the resident's medical record, and requires the skilled nursing facility or intermediate care facility to act promptly and identify, or use due diligence to search for, a legal decision maker. If no legal decision maker can be identified or located, requires the facility to take further steps to promptly identify, or use due diligence to search for, a patient representative to participate in an interdisciplinary team review.

33. Requires that if the resident lacks capacity and there is no legal decision maker or patient representative, the skilled nursing facility or intermediate care facility to provide notice to the resident and to the patient representative. Requires the Long-Term Care Patient Representative Program to assign a public patient representative if no family member or friend is available to serve in that capacity. The provisions of the bill relating to the responsibilities of the physician and surgeon and the facility with respect to medical interventions would become operative no later than July 1, 2022.

34. Repeals the conditional suspension for December 31, 2021 that had applied to the Aging and Disability Resource Connection Infrastructure Grants Program for the purpose of implementing a No Wrong Door System.

35. Repeals the conditional suspension for December 31, 2021 that had applied to the Senior Nutrition program.

36. Alters definition to define "adult protective services" as those activities performed on behalf of elders and dependent adults who have come to the attention of the adult protective services agency due to potential abuse or neglect, would expand the multidisciplinary team to include additional individuals, such as housing representatives, and would make additional changes to certain definitions under the act and on provisions on protective placements and custody of endangered adults.

37. Authorizes county protective service agencies and the Home Safe Program to refer individuals with complex or intensive needs to certain state or local agencies, and authorizes referrals to be made before or after an individual begins to receive adult protective services.

38. Defines an "elder," for the purposes of investigating or providing services under an adult protective services program, as a person who is 60 years of age or older and a "dependent adult" as a person who is between 18 and 59 years of age, inclusive, and has prescribed limitations.

39. Requires the DSS to convene a workgroup to develop recommendations to create or establish a statewide adult protective services case management or data warehouse system. Requires the DSS to submit the recommendations to the Legislature by November 1, 2022.

40. Requires the county's adult protective services program policies and procedures to include provisions for homeless prevention through the Home Safe Program. Authorizes a county that receives grant funds under the Home Safe Program to, as part of providing case management services to elder or dependent adults who require adult protective services, provide housing assistance to those who are homeless or at risk of becoming homeless.

41. Authorizes the DSS to implement a waiver approved by the United States Secretary of Agriculture through all-county letters or similar instructions. If the waiver is approved for a period of 24 months or longer, authorizes the DSS to implement the waiver in this manner only until regulations are adopted.

42. Requires the DSS to work with representatives of county human services agencies and the County Welfare Directors Association of California to update the budgeting methodology used to determine the annual funding for county administration of the CalFresh program beginning with the 2022–23 fiscal year, revised from the 2021-22 fiscal year.

43. Requires the DSS, on or before July 1, 2023, subject to an appropriation in the annual Budget Act, to develop a CalFresh user-centered simplified paper application for households that include older adults, as defined by CalFresh, and people with disabilities who are eligible to be enrolled in the Elderly Simplified Application Project operated by the United States Department of Agriculture. Requires the DSS to maintain the simplified paper application for older adults and people with disabilities to the extent the Elderly Simplified Application Project is no longer operational.

44. Extends the date for each county welfare department to implement the scheduling techniques for purposes of scheduling and rescheduling at initial application and recertification from July 1, 2021 to January 1, 2022. Requires, to the extent permitted by federal law, an option to be provided to an individual to complete an application or recertification interview and provide the required client signature by telephone. Authorizes counties to implement any method of telephonic or electronic signature that is supported by county business practice and technology. Requires certain counties to comply with these provisions beginning on or before January 1, 2023, and require the remaining counties to comply with the provisions beginning on or before January 1, 2024.

45. Extends the date that requires county welfare departments, in an effort to expand CalFresh program outreach and retention and improve dual enrollment between the CalFresh and Medi-Cal programs, to undertake certain actions, including ensuring that Medi-Cal

applicants who also may be eligible for CalFresh are screened and given the opportunity to apply for CalFresh at the same time they are applying for Medi-Cal or submitting information for the renewal process, from no later than January 1, 2022 to January 1, 2023.

46. Extends the deadline to establish and implement a statewide Restaurant Meals Program (RMP) from on or before September 1, 2020 to on or before September 1, 2021.

47. Authorizes a household to be recertified for the Supplemental Security Income/State Supplementary Payment Program (SSI/SSP) Cash-In Transitional Nutrition Benefit (TNB) Program for additional 12-month periods, from the current six month periods, and extends the time for required documentation and information to be provided to the county to restore discontinued benefits from 30 days to 90 days. Requires the DSS, in consultation with representatives of county human services agencies and the County Welfare Directors Association of California, to develop and implement a process that maintains eligibility for all beneficiaries of benefits provided under the TNB Program for two years by pausing discontinuances and marking all recertifications as complete.

48. Limits the period in which a county may establish a claim to recover an overissuance of CalFresh benefits due to inadvertent household error or administrative error to the 24 months preceding the month the county welfare department determined the overissuance occurred. Requires the claim to equal the total amount of overissuance during the 24 months immediately preceding the date the overissuance was discovered. Makes these provisions operative on July 1, 2022, or upon the DSS's notification to the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement these provisions, whichever date is later. Authorizes the DSS to implement and administer these provisions through all-county letters or similar instructions until regulations are adopted. Requires the DSS to adopt emergency regulations no later than January 1, 2023, and would authorize the DSS to readopt an emergency regulation.

49. Requires the DSS to use state funds appropriated for the California Food Assistance Program (CFAP) to provide nutritional benefits to households that are ineligible for CalFresh benefits solely due to their immigration status. States the intent of the Legislature, subject to an appropriation in the Budget Act of 2023, to begin a targeted, age-based implementation of the expansion of CFAP regardless of immigration status.

50. Requires the amount of nutrition benefits provided to each CFAP household to be identical to the amount that would otherwise be provided to a household eligible for CalFresh benefits. Requires, to the extent permissible under federal law, the delivery of CFAP nutrition benefits to be identical to the delivery of CalFresh benefits to eligible CalFresh households. Authorizes the DSS to implement and administer these provisions through all-county letters or similar instructions without taking regulatory action until final regulations are adopted. Makes these provisions operative on the date the DSS notifies the Legislature that the Statewide Automated Welfare System can perform the necessary automation to implement the bill.

51. Authorizes the statewide automated welfare system, known as the CalSAWS consortia, to develop, deploy, and maintain a telephonic signature solution to enhance the ability for county human services customers and staff to complete transactions by telephone. Authorizes, until the single CalSAWS consortium has implemented an integrated telephonic signature solution, an applicant for public social services or public assistance to make an oral attestation regarding their qualification for services or assistance if they are

unable to provide a physical signature or if the county is unable to accept an electronic signature.

52. Revises the definition of "eligible beneficiaries" for purposes of the Community Services Block Grant Program to instead include all individuals living in households with incomes not to exceed the income eligibility level as a percentage of the poverty line that a state may adopt, as defined in specified federal law. The intent is to maximize federal application of eligibility to low-income households.

53. Establishes the California Arrearage Payment Program (CAPP) within the Department of Community Services and Development (CSD). Requires the CSD to survey utility applicants to obtain data pertaining to the total number of residential and commercial customer accounts in arrears to determine the total statewide energy utility arrearage and to develop an allocation formula for determining an individual utility applicant's share of CAPP funds. Authorizes specified utilities to apply for CAPP funds, on behalf of their customers, and requires the utility to use any funds received, as specified, to offset customer arrearages that were incurred during the COVID-19 pandemic bill relief period. Prohibits service from being discontinued due to nonpayment for those customers included in a utility's CAPP application while the CSD reviews and approves all pending CAPP applications, and would require the utility applicant to waive any associated late fees and accrued interest for customers who are awarded CAPP benefits. Requires the CSD to report specified data to the Legislature and on its public-facing internet website relating to distribution of CAPP benefits. Makes the program inoperative as of July 1, 2025, and repeals the provisions as of January 1, 2026.

54. Requires the CSD to administer the Low Income Household Water Assistance Program in this state, and to receive and expend moneys appropriated and allocated to the state for purposes of that program, pursuant to federal law. Authorizes the CSD to develop and implement a state plan, requirements, guidelines, and subgrantee contract provisions for the program without taking further regulatory action. Requires the state plan to include specified details regarding program implementation and would require the CSD to, upon the execution of contracts for Low Income Household Water Assistance Program funding with local service providers, and every six months thereafter until funding is exhausted, report to the Legislature and post to the CSD website specified information. Requires the CSD to post a draft state plan to its internet website, hold a public meeting prior to submission of the state plan to allow for public comment, and post the final plan to the CSD internet website.

55. Exempts CSD, until January 1, 2025, from specified state requirements and prescribed funding amounts that otherwise would apply to the Low-Income Home Energy Assistance Program for purposes of using supplemental funding provided to the state by the federal American Rescue Plan Act of 2021 for the program. Requires the CSD to, upon the execution of contracts for ARPA funding with local service providers, and every six months thereafter until funding is exhausted, report to the Legislature and post specified information to the CSD website.

56. Authorizes the DSS, if an eligible county or qualified nonprofit organization declines all or part of federal funds appropriated for refugee social services programs, or returns unexpended funds, to exercise its discretion to reallocate the declined or returned funds among eligible counties and qualified nonprofit organizations. Also authorizes the DSS, if the federal Office of Refugee Resettlement provides additional funding or designates

funding for services to a specific population of eligible individuals, to exercise its discretion to allocate those funds among eligible counties and qualified nonprofit organizations consistent with federal law.

57. Establishes the Enhanced Services for Asylees and Vulnerable Noncitizens to provide resettlement services for persons granted asylum by the United States Attorney General or the Secretary of Homeland Security or who are eligible to receive the above-described refugee cash assistance and services as victims of crime. Requires the program to provide culturally appropriate and responsive case management services for persons newly granted asylum and vulnerable noncitizens for up to 90 days within the first year following their grant of asylum or eligibility for services as a victim of a crime, respectively. This program would be implemented only to the extent that funds are appropriated in the annual Budget Act.

58. Repeals the July 1, 2022 sunset date associated with the DSS's ability to administer a rapid response program to award grants or contracts to entities that provide critical assistance to immigrants during times of need, thereby making the rapid response program operative indefinitely.

59. Authorizes funds in the CalWORKs Housing Support Program (HSP) to be used to provide housing supports to CalWORKs recipients who are at risk of homelessness and for whom housing instability would be a barrier to self-suficiency or child well-being.

60. Modifies the definition of homeless for the purposes of the Home Safe Program and would expand the definition of an eligible individual to include individuals who are in the process of intake to adult protective services, or an individual who may be served through a tribal social services agency who appears to be eligible for adult protective services. For the expenditure of one-time funds, exempts a grantee from the requirement to match these funds between July 1, 2021, and June 30, 2024.

61. Modifies the definition of "homeless" and expands the definition of "eligible family" for the purposes of the Bringing Families Home Program, to include an individual or family that is at risk of homelessness or in a living situation that cannot accommodate the child or multiple children in the home. For the expenditure of one-time funds, exempts a grantee from the requirement to match these funds between July 1, 2021, and June 30, 2024.

62. Waives the requirement for the Housing and Disability Income Advocacy Program to seek reimbursement of funds through June 30, 2024, and would exempt a grantee from the requirement to match certain funds between July 1, 2021, and June 30, 2024.

63. States that the California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

64. States that this bill provides that with regard to certain mandates no reimbursement is required by this act for a specified reason.

65. States that with regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

66. Declares that this bill is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

According to the Author

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

Provisions in this measure are supported by appropriations included in the 2021 Budget Act.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 140 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

This trailer bill contains changes necessary to implement the 2021 Budget Act related to housing and homelessness. Specifically, **this bill:**

Major Provisions

CA Dream for All

1) Requires the Treasurer, in consultation with the California Housing Finance Agency, the California Department of Housing and Community Development, and other relevant stakeholders to develop a framework for the California Dream for All, and submit a report to the Legislature as soon as April 1, 2022, and no later than one year from the effective date of this chapter, as specified.

Excess State Lands

2) Removes the requirement that the leasing receive the approval of the governing body of any concerned local agency and instead allows the Director of the Department of General Services (DGS) with the consent of the state agency that the leasing of interest in any real property or interest in real property serves a beneficial public purpose limited to the development of housing including permanent supportive or traditional housing and emergency shelters or park and recreation facilities.

3) Allows the Director of DGS to permit commercial development on property leased pursuant to Section 14671.2 of the Government Code for affordable housing purposes if the Director of Housing and Community Development (HCD) deems the commercial development necessary for the successful delivery of housing to lower income households and deems the commercial development to provide community benefits, including community-serving retail and amenities.

4) Requires that a minimum of 20 percent instead of 25 percent of housing units development be made available for the term of the lease to, and occupied by, lower income households, of which at least 10 percent shall be available to, and occupied by very low income households. Authorizes the Director of HCD to prescribe alternative minimum percentages in each income category in specified instances.

5) Allows, upon a written formal recommendation from the Director of HCD that it is in the best interest of the state and reasonably necessary to facilitate the development of affordable housing, authorize the Director of DGS to permit phased development, subject to specified terms and conditions, or to sell property or portions of a property that have been leased pursuant to these provision for housing to a lease for the purposes of affordable homeownership, consistent with affordability provisions as specified.

6) Provides that in letting leases pursuant to Section 14671.2 of the Government Code, the Director of DGS shall give preference to projects that provide either the greatest number of units of affordable to lower and very low income households, or that provide for more

units affordable to lower and very low income households than required by the Director of HCD.

Homeless Housing, Assistance, and Prevention program (HHAPP) Round 3 Allocation

7) Allocates $1 billion for Round 3 in 2021-22 fiscal year.

    a. Provides that not more than 80 percent or $800 million be available to applicants that are cities, counties or continuums of care (CoC) as follows:

        i. Provides 32 percent or $240 million to CoCs based on each CoCs proportionate share of the state's total homelessness population, based on homeless point-in-time count.

            1. Requires the council to no award more than 40 percent of the allocation to a CoC.

        ii. Provides 42 percent or $336 million to a city, or city that is also a county that has a population of 300,000 or more, as of January 1, 2020, as specified.

            1. Requires the Council to calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the COC within which the city is located, based on homeless point-in-time count.

            2. Requires the Council not to award more than 45 percent of the program allocation made pursuant to this subparagraph to a city.

            3. Provides that if more than one recipient within the CoC meets the requirement of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.

        iii. Provides 28 percent or $224 million of the allocation to each county.

            1. Requires the council to calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the COC within which the county is located based on the homeless point-in-time count.

            2. Requires the Council not to award more than 40 percent of the program allocation to a county.

    b. Provides that not more than 18 percent or $180 million of the funding available be set aside for awarding bonus, as specified.

        i. Requires the Council to determine bonus award allocations, as specified and to report to the chairs of the relevant fiscal and policy committees within 30 days of making the funding allocation determinations.

    c. Provides not more than 2 percent or $20 million of the funding available to tribal applicants, as follows:

        i. Allows the Council to make allocations to tribes on the basis of need.

ii. Allows tribes to be allocated fund up to their requested amount, or up to a total of $20 million collectively among all tribal applicants.

iii. Provides that the Council shall determine an allocation methodology based on tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.

iv. Requires a tribal applicant to submit an application to the council, it the form and manner prescribed the council, no later than June 30, 2023, as specified.

v. Provides that any funds available to tribal applicants that are unallocated by July 1, 2025, shall be allocated as bonus awards.

vi. Provides that a tribal applicant may partner with a local CoC or coordinated entry system.

d. Prohibits a program recipient from using funding from the program allocated under this section to supplant existing local funds for homelessness services under penalty of disallowance or reduction, or both, of future program funds, as determined by the council.

e. Provides that no more than 5 percent or $50 million of the funds available shall be used to cover the council's costs of administration of this section.

i. The council may expend administrative funds until December 31, 2026, to complete grant close-out activities.

f. Provides that a program recipient use at least 10 percent of the funds allocated for homeless youth populations.

g. Requires all moneys to be expended in compliance with Housing First.

h. Provides that the council shall determine whether a recipient has met its outcome goals through July 1, 2024, and shall award bonus funding as soon as data becomes available, but no later than November 1, 2024.

i. Allows the council to provide exceptions to meet outcome goals if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor, as specified.

i. Provides that all Round 3 program funds, including bonus funds, shall be expended by June 30, 2026.

HHAPP Round 4 Allocation

8) Allocates $1 billion for Round 4 in 2022-23 fiscal year.

a. Provides that not more than 80 percent or $800 million be available to applicants that are cities, counties or continuums of care (CoC) as follows:

i. Provides 32 percent or $240 million to CoCs based on each CoCs proportionate share of the state's total homelessness population, based on homeless point-in-time count.

1. Requires the council to no award more than 40 percent of the allocation to a CoC.

ii. Provides 42 percent or $336 million to a city, or city that is also a county that has a population of 300,000 or more, as of January 1, 2021, as specified.

1. Requires the Council to calculate the allocation to a city based on the city's proportionate share of the total homeless population of the region served by the COC within which the city is located, based on homeless point-in-time count.

2. Requires the Council not to award more than 45 percent of the program allocation made pursuant to this subparagraph to a city.

3. Provides that if more than one recipient within the CoC meets the requirement of this subparagraph, the proportionate share of funds shall be equally allocated to those jurisdictions.

iii. Provides 28 percent or $224 million of the allocation to each county.

1. Requires the council to calculate the allocation to a county based on the county's proportionate share of the total homeless population of the region served by the COC within which the county is located based on the homeless point-in-time count.

2. Requires the Council not to award more than 40 percent of the program allocation to a county.

b. Provides that not more than 18 percent or $180 million of the funding available be set aside for awarding bonus, as specified.

i. Requires the Council to determine bonus award allocations, as specified and to report to the chairs of the relevant fiscal and policy committees within 30 days of making the funding allocation determinations.

c. Provides not more than 2 percent or $20 million of the funding available to tribal applicants, as follows:

i. Allows the Council to make allocations to tribes on the basis of need.

ii. Allows tribes to be allocated fund up to their requested amount, or up to a total of $20 million collectively among all tribal applicants.

iii. Provides that the Council shall determine an allocation methodology based on tribal applicant's proportionate share of need relative to all tribes that submit an application for funding.

iv. Requires a tribal applicant to submit an application to the council, it the form and manner prescribed the council, no later than June 30, 2023, as specified.

v. Provides that any funds available to tribal applicants that are unallocated by July 1, 2025, shall be allocated as bonus awards.

vi. Provides that a tribal applicant may partner with a local CoC or coordinated entry system.

d. Prohibits a program recipient from using funding from the program allocated under this section to supplant existing local funds for homelessness services under penalty of disallowance or reduction, or both, of future program funds, as determined by the council.

e. Provides that no more than 5 percent or $50 million of the funds available shall be used to cover the council's costs of administration of this section.

i. The council may expend administrative funds until December 31, 2027, to complete grant close-out activities.

f. Provides that a program recipient use at least 10 percent of the funds allocated for homeless youth populations.

g. Requires all moneys to be expended in compliance with Housing First.

h. Provides that the council shall determine whether a recipient has met its outcome goals through July 1, 2025, and shall award bonus funding as soon as data becomes available, but no later than November 1, 2025.

i. Allows the council to provide exceptions to meet outcome goals if the recipient demonstrates hardship by a disaster for which a state of emergency is proclaimed by the Governor, as specified.

i. Provides that all Round 4 program funds, including bonus funds, shall be expended by June 30, 2027.

HHAPP Round 3 Agreement and Application

9) Requires the council to issue a standard agreement for applicants to apply for Round 3 program funds no later than September 15, 2021, which requires at a minimum a requirement for applicants to submit an application that includes a local homelessness action plan and specific outcome goals, as follows:

a. Requires the standard agreement to be due to the council no later than 30 days from the date the council issues the standard agreement.

b. Provides that if an applicant does not submit a completed standard agreement by the deadline, the council may distribute that applicant's share of Round 3 funds to an eligible overlapping jurisdiction, as determined by the council.

c. Requires the council to allocate 20 percent of an eligible city's, county's, or CoC's total allocation, as specified.

i. Allows a city, city and county, single CoC, or county to apply jointly with a counterpart entity or entities. Provides that an applicant that applies jointly shall instead be allocated 25 percent of the jointly applying jurisdictions' total allocation.

ii. Requires a joint application to include, at a minimum, evidence of collaboration between the jointly applying applicants and an explanation of how the jointly applying applicants will administer the funds allocated to them.

iii. Allows a recipient to use the initial funds awarded to complete the local homeless action plan, including paying for any technical assistance or contracted entities to support the completion of the homeless action plan.

iv. Provides that priority for initial funds, above the costs of completing the application, shall be for systems improvement, as specified.

d. Requires an applicant to submit an application to the council by June 30, 2022, that includes a local homelessness action plan and specific outcome goals to receive the remaining balance of its Round 3 program allocation, as follows:

i. Requires an applicant to engage with the council on its local plan and outcome goals before submitting a complete application.

ii. Requires an applicant to agendize at a regular meeting of the governing body, including receiving public comment, before being submitted to the council.

iii. Provides that a complete application submitted shall provide the following:

1. A local homelessness action plan, as specified.

2. A narrative as specified.

3. Outcome goals that prevent and reduce homelessness over a three-year period, informed by the findings from the local landscape analysis and the jurisdiction's base system performance measure from 2020 calendar year data in the Homeless Data Integration System. The outcome goals shall set definite metrics, based on the United States Department of Housing and Urban Development's system performance measures, as specified.

a. Requires that each applicant determine its outcome goals in consultation with the council, and shall not submit its final outcome goals before consulting with the council.

b. Requires the council to assess outcome goals and determine whether the outcome goals adequately further the objectives of reducing and preventing homelessness.

c. Requires that initial outcome goals be met no later than June 30, 2024, and requires outcome goals to be updated regularly, as funding continues.

e. Allows the council to request additional documentation and information from the applicant during consultation consistent with respect to Round 3 program allocations consistent with specified requirements.

f. Requires the council to either approve the application, and issue the notice of award to allocate the remaining percent of an applicant's funding or return it to the applicant with written, detailed comments and request one or more of specified amendments.

    i. Provides that an applicant whose application has been returned, shall respond to the council's requested amendments and submit a revised application within 30 days of receipt of the council's detailed comments and request for specific amendments.

    ii. Provides that if the revised application differs from the council's requested amendments, the applicant shall include an explanation of the differences and the rationale for differences.

    iii. Provides the council 30 days to approve a revised application, if as amended, it addresses the council's concerns or to provide the grantee with additional guidance and a deadline for the extension.

g. Provides that a recipient including tribal recipients shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, as specified.

h. Provides that an applicant shall not use more than 7 percent of a Round 3 program allocation for administrative costs as specified.

i. Requires a recipient of a Round 3 program allocation to comply with Housing First.

j. Requires the council and a recipient to post final Round 3 program applications to their respective internet websites within 30 days of disbursal to the applicant.

k. Requires a recipient to contractually obligate not less than 50 percent of Round 3 program allocations no later than May 31, 2024, except as otherwise specified.

l. Requires counties to contractually obligate the full amount of Round 3 program allocation awarded to them by May 31, 2024.

m. Provides that if less than 50 percent is obligated after May 31, 2024, recipients that are CoCs, and cities shall not expend any remaining portion of the 50 percent of Round 3 program allocations required to have been obligation unless both of the following occur:

    i. On or before June 30, 2024, the recipient submits an alternative disbursement plan that includes an explanation for the delay.

ii. The council approves the alternative disbursement plan.

n. Requires that on or before December 31, 2024, recipients that are CoCs and cities shall return to the council any funds that have not been expended pursuant to an alternative disbursement plan approved to be allocated as bonus awards by the council to eligible recipients.

o. Requires that no later than June 30, 2024, recipients shall demonstrate whether they have successfully met their outcome goals as specified.

p. Provides that jurisdictions that meet their outcome goals shall be eligible for bonus funds.

q. Provide that jurisdictions that have not met their outcome goals shall not be eligible for bonus funding and shall accept technical assistance from council staff and may also be required to limit the allowable uses of these program funds, as determined by the council.

r. Requires that any remaining amounts of Round 3 program allocation funds not expended by June 30, 2026, shall be available for Round 4 of the program pursuant to Section 50218.7.

HHAPP Round 4 Application

10) Requires the council to make an application for Round 4 program allocations available no later than September 30, 2022.

11) Provides that applications shall be due to the council no later than 60 days from the date the council makes those applications available.

12) Requires the council to either approve the application or return it within 30 days to the applicant with written, detailed comments and request one or more of specified amendments.

i. Provides that an applicant whose application has been returned, shall respond to the council's requested amendments and submit a revised application within 30 days of receipt of the council's detailed comments and request for specific amendments.

ii. Provides that if the revised application differs from the council's requested amendments, the applicant shall include an explanation of the differences and the rationale for differences.

iii. Provides the council 30 days to approve a revised application, if as amended, it addresses the council's concerns or to provide the grantee with additional guidance and a deadline for the extension.

13) Requires an applicant to submit an application to the council to receive a Round 4 allocation. A complete application submitted shall provide the following information, in the form and manner prescribed by the council:

a. A local homelessness action plan that includes the following, with data updated from the local homelessness action plan included in an application for a Round 3 program allocation as specified.

b. New outcome goals that are specific, ambitious, achievable, and quantifiable to prevent and reduce homelessness over a three-year period, informed by the findings from the local landscape analysis and the jurisdiction's outcome goals.

    i. The outcome goals shall set definite metrics, based on the United States Department of Housing and Urban Development's system performance measures, as specified.

    ii. Requires that each applicant determine its outcome goals that build upon prior year goals in consultation with the council, and requires consulting with the council before submitting final outcome goals.

    iii. Requires that initial outcome goals should be met no later than June 30, 2025, and outcome goals be updated regularly, as funding continues.

c. A narrative as specified.

d. Requires a city, county, and CoC applicant to be agendized at a regular meeting by the governing body, including receiving public comment before submitting to the council.

e. Allows the council to request additional documentation and information from the applicant during consultation consistent with Round 4 program allocations.

f. Requires the council to approve the application and issue the notice to award to disburse 50 percent of an applicant's funding within 30 days, or return it to the applicant with written, detailed comments and request one or more amendments as specified.

g. Provides that a recipient including tribal recipients shall expend funds on evidence-based solutions that address and prevent homelessness among eligible populations, as specified.

h. Provides that an applicant shall not use more than 7 percent of a Round 4 program allocation for administrative costs as specified.

i. Requires a recipient of a Round 3 program allocation to comply with Housing First.

j. Requires the council and recipients to post final Round 4 program applications to their respective internet websites within 30 days of disbursal to the applicant.

k. Requires a recipient to contractually obligate not less than 75 percent and expend not less than 50 percent of the initial Round 4 program allocations no later than May 31, 2025.

l. Requires the council to disburse to the recipient the remaining 50 percent of it total allocation, upon demonstration by a recipient that it has complied with the requirement to contractually obligate and expend a minimum amount of its Round

4 program allocation as described in 13 (k) and remains on track to meet its outcome goals.

m. Prohibits a recipient from contractually obligating or expending any remaining portion of its Round 4 program allocations and prohibits the council from disbursing the remaining 50 percent of the total allocation, if a less than 75 percent is obligated and less than 50 percent expended by May 31, 2025.

    i. Requires that a recipient submit an alternative disbursement plan that includes an explanation for the delay on or before June 30, 2025.

    ii. Requires the Council to approve the alternative disbursement plan.

n. Requires a recipient to return to the council any funds that have not been expended pursuant to the alternative disbursement plan on or before December 31, 2026 and requires those funds to be allocated as bonus awards.

o. Prohibits recipients that do not meet the requirements to be ineligible for bonus funding.

p. Requires recipients to demonstrate whether they have successfully met their outcome goals no later than June 30. 2025 and make these jurisdictions eligible for bonus funding.

q. Requires jurisdictions that have not met their outcome goals to accept technical assistance from council staff and the council may limit the allowable uses of these programs funds.

r. Provides that any remaining amounts of Round 4 program allocation funds including bonus funds, not expended by June 30, 2027 to revert to the General Fund.

HHAPP Rounds 3 and 4 Outcome Goal Accountability

14) Requires applicants provide the following information for all rounds of program allocations through a data collection, reporting, performance monitoring and accountability framework established by the council.

    a. Data on the applicant's progress towards meeting their outcome goals submitted annually on December 31 of each year through the duration of the program.

    b. Requires if an applicant has not made significant progress toward meeting outcome goals, the must:

        i. Submit a description of barriers and possible solutions

        ii. Accept technical assistance from the council and may also limit the allowable uses of these program funds.

    c. Requires a quarterly fiscal report of program funds expended and obligated as specified.

i. If an applicant has not made significant progress toward their outcome goals, then the applicant shall report on their outcome goals in their quarterly report as well.

d. Requires that each recipient of Round 3 funds to submit to the council final report no later than October 1, 2026.

e. Requires that each recipient of Round 4 funds to submit to the council final report no later than October 1, 2027.

Encampment Resolution Funding Program

15) Establishes the Encampment Resolution Funding Program to assist cities, counties, and CoCs in ensuring the safety and wellness of people experiencing homelessness in encampments to do the following:

a. Provide encampment resolution grants to resolve critical encampment concerns and transition individuals into safe and stable housing.

b. Encourage a data-informed, coordinated approach to address encampment concerns.

Family Homelessness Challenge Grants and Technical Assistance

16) Establishes the Family Homelessness Challenge Grants and Technical Assistance to provide one-time grants and technical assistance to local jurisdictions in order to address and end family homelessness.

17) Provides that preference be given to proposals that promote rapid innovation, accelerate nascent programs, expand promising practices, and meet new demands and conditions for solutions targeted towards ending family homelessness. Program funding shall be prioritized for jurisdictions that can demonstrate cross-systems collaboration, multi-funder initiatives, and innovative efforts that coordinate across funding streams and systems.

Regional Early Action Planning Grants Program of 2021

18) Establishes the Regional Early Action Planning Grants Program of 2021, developed and administered by the Department of Housing and Community Development (HCD) in collaboration with the Office of Planning and Research (OPR), the Strategic Growth Council (SGC) and the State Air Resources Board (ARB) to provide regions with funding for transformative planning and implementation activities.

19) Defines "transformative planning and implementation activities" to mean housing, planning, infrastructure investments supporting infill housing, and other actions that enable meeting housing goals that also result in per capita vehicle miles traveled reductions, including accelerating infill development, supporting residents through realizing multimodal communities, shifting travel behavior through reducing driving, and increasing transit ridership.

20) Requires the distribution and expenditures of funds shall be made consistent with the state planning priorities, established pursuant to Section 65041.1 of the Government Code, and shall consider geographic equity among regions of the state.

21) Provides 85 percent shall be available to the 18 MPOs as described in paragraph (2) of subdivision (a) of Section 50515.07 for transformative planning and implementation activities.

    a. Allocates based on the most recent Department of Finance P-2A County Population Projections as line 8 of July 1, 2021. Amounts shall be calculated based on aggregate line 9 2030 projected population per each eligible applicant as a line 10 percentage of projected 2030 statewide population.

22) Provides 5 percent shall be available to rural counties and tribes as described in paragraph (6) of subdivision (a) of Section 50515.08 for transformative planning and implementation activities.

23) Provides 5 percent shall be available as a competitive set aside available to all eligible entities for transformative planning and implementation activities that demonstrably exceed the requirements and further multiple policy objectives. Provides that scoring criteria for this competitive set aside will include, but not be limited to, to the extent of acceleration of infill housing production and reduction of per capita vehicle miles traveled.

24) Provides 5 percent to HCD to administer the program.

Affordable Housing Preservation

25) Authorizes the department, upon appropriation, to make loans or grants, or both loans and grants, to rehabilitate, capitalize operating subsidy reserves for, and extend the long-term affordability of department-funded housing projects that have affordability restriction that has expired, that have an affordability restriction with a remaining term of less than 5 years, or are otherwise at risk for conversion, as provided.

26) Authorizes the department to adopt guidelines to implement this program and exempt those guidelines from the rulemaking provisions of the Administrative Procedure Act.

27) Requires the department to establish loan processing or transaction fees for loans or grants authorized under these provisions and requires that moneys received by the department in repayment of loans under these provisions be deposited in the Housing Rehabilitation Loan Fund, to be used for purposes of the Multifamily Housing Program. By increasing the amount of money deposited in a continuously appropriated fund.

Loans and Grants to Qualified Rental Housing Developments

28) Authorizes HCD, to award a forgivable loan or grant to a qualified rental housing development to replace federal and state low-income housing credit equity, as specified.

29) Defines "qualified rental housing development" for these purposes to mean a qualified low-income housing project that received an award letter from specified multifamily housing programs administered by the department.

30) Requires that a loan awarded under these provisions be provided with an interest rate of zero and authorizes HCD to determine the terms under which a loan or grant awarded under these provisions is subject to repayment.

31) Requires a rental housing development that receives a grant or loan under these provisions to commence construction within 180 days of issuance of an award letter, and would authorizes HCD to issue a 90-day extension, as specified.

32) Provides that $50 million shall be awarded to projects with an award letter from the Joe Serna, Jr. Farmworking Housing Grant Program.

Project Homekey

33) Requires that funds appropriated to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness and who are inherently impacted by or at increased risk for medical diseases or conditions due to the COVID-19 pandemic or other communicable diseases be disbursed in accordance with the Multifamily Housing Program for specified uses.

34) Authorizes HCD to adopt guidelines for the expenditure of funds appropriated to the department under these provisions and requires HCD to report to the Legislature on the use of the funds in the department's annual report, including, among other things, an explanation of how funding decisions were made and the number of individuals housed, or likely to be housed, using the funds.

35) Requires funds from the Coronavirus Relief Fund to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness be disbursed in accordance with the Multifamily Housing Program, including grants to cities, counties, and other local public entities for the following:

    a. Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.

    b. Master leasing of properties.

    c. Conversion of units from nonresidential to residential

    d. New construction of dwelling units.

    e. The purchase of affordability covenant and restrictions for units.

    f. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.

    g. Capitalized operating subsidies for units purchased, converted, or altered with funds provided by this section.

36) Requires that not less than 8 percent of these funds available for Project Homekey shall be available for projects serving homeless youth, or youth at risk of homelessness.

37) Provides that up to 5 percent of the funds appropriated for the costs to administer this program.

38) Requires the HCD, in coordination with the Business, Consumer Services, and Housing Agency to report to the chairs of each fiscal committee and each relevant policy committee of the Legislature on the use of the funds described in this section.

39) Requires that any project that uses funds received for Project Homekey shall be deemed consistent and in conformity with any applicable local plan, standard, or requirement, and allowed as a permitted use, within the zone in which the structure is located, and shall not be subject to a conditional use permit, discretionary permit, or to any other discretionary reviews or approvals.

40) Exempts from CEQA, until July 1, 2024, a project described above and funded pursuant to these provisions if certain requirements are met, including that the project proponent submits to the lead agency a letter of support from a county, city, or other local public entity for any proposed rehabilitation, construction, or major alteration work. If the lead agency determines that a project is not subject to CEQA and the lead agency determines it will approve or carry out the project, the bill would require the lead agency to file a notice of exemption, as specified.

41) Requires the Director of Industrial Relations to establish and maintain a strategic enforcement unit focused on construction, alteration, and repair projects.

42) Requires the unit to enhance the department's enforcement of the Labor Code in construction, alteration, and repair projects related to Project Homekey.

Statewide Assessment

43) Requires the council to conduct a statewide assessment to, among other things, identify state programs that provide housing or services to persons experiencing homelessness or at risk of homelessness, as defined, and collect and analyze data from those programs necessary to provide a comprehensive view of the homelessness response system.

44) Authorizes local governments to collaborate with the coordinating council or other entity conducting the assessment to share existing data from existing local analyses of system needs or gaps to complement other data requested.

45) Requires the council to submit an interim report by July 1, 2022, and a final report by December 31, 2022, on the assessment to specified legislative committees.

Excess Site Local Government Matching Grant Program

46) Establishes the Excess Site Local Government Matching Grant Program administered by HCD to provide selected developers with one-time grants for development activities to enable development on excess state-owned property.

47) Requires the department to allocate grants of up to $10 million to development partners selected under an Executive Order No. N-06-19 program to enter a ground lease with the state to create affordable housing on excess state-owned property and that will receive contributions from a local government in support of that affordable housing.

48) Requires HCD to award grant moneys based on several factors, including value of the local government contribution and the creation of new permanent housing options.

49) Authorizes a selected developer and a local government to submit, for expeditious review, a joint application that includes, among other things, a budget demonstrating the amount of the local government's contribution and a commitment and strategy from the local government to support the selected developer, as specified.

50) Limits the total amount of moneys awarded under the program to $30 million and requires the department to set aside up to 5% of appropriated moneys for program administration.

Foreclosure Intervention Housing Preservation

51) Establishes the Foreclosure Intervention Housing Preservation Program and allows HCD to contract with program administrators to offer grants or loans to qualifying nonprofits, community land trusts, or qualifying LLCs to purchase housing properties (one to 25 units) either out of foreclosure or after the property has defaulted on its loans but before it enters foreclosure. Requires HCD to consider geographic equity in allocating funds, among other guideline requirements.

52) Requires grantees / borrowers to keep the units affordable for 55 years, and meet specified requirements. Allows a temporary exemption if some of the units are market rate when acquired, but requires them to convert to affordable once tenants move out.

53) Allows HCD to contract with fund administrators through June 30, 2026, or longer if funding is available. Funds not committed to an administrator by December 31, 2025 will be reallocated to the Housing Preservation Program for state or local funded projects.

54) Requires HCD to report to the legislature by May 2023 on the status of the program.

Infill Infrastructure Grant Program of 2019

55) Extends the operation of the 2019 Infill Infrastructure Grant Program from January 1, 2023, to January 1, 2026.

56) Authorizes HCD to expend $250 million pursuant to the Infill Infrastructure Grant Program of 2019 as follows:

    a. $160 million for selected capital improvements for large jurisdictions under the program; and

    b. $90 million for over-the-counter grants for capital improvements for projects for small jurisdictions under the program.

57) Authorizes up to 5 percent of the funds to be set aside for program administration.

58) Declares that the bill takes effect immediately and is a bill providing for appropriations related to the Budget.

Article XXXIV

59) Expands existing law exclusions from the definition of "low-rent housing project" to include:

a. Developments that consist of new construction and developments using moneys received the Coronavirus State Fiscal Recovery Fund established by the federal American Rescue Plan Act of 2021 (ARPA)

b. Moneys appropriated and disbursed pursuant to Sections 50606 and 50672 of the Health and Safety code

c. Fund the uses and to accomplish objectives under Sections 50675.1.1 and 50675.1.3 of the Health and Safety Code.

COMMENTS

This is a budget bill within the overall 2021-22 budget package necessary to implement actions related to housing and homelessness.

According to the Author
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Arguments in Support
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Arguments in Opposition
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FISCAL COMMENTS

Provides implementation actions for over $8 billion in funds for homelessness and affordable housing programs.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Genevieve Morelos / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 148 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

This bill is the omnibus Resources budget trailer bill. It contains provisions necessary to implement the 2021 Budget Act.

Major Provisions

1) **Realignment of the Unified Hazardous Waste and Hazardous Materials Regulatory Management Program**. Requires the State Fire Marshall to seek the advice of the Secretary for Environmental Protection, rather than the Office of Emergency Services (Cal OES), in establishing minimum requirements for the storage, handling, and use of hazardous materials. This bill revises and recasts the unified program provisions to transfer certain responsibilities from Cal OES to the California Environmental Protection Agency (CalEPA). This bill transfers state administration of the federal accidental release prevention program from Cal OES to CalEPA.

2) **Golden State Energy.** Prohibits a corporation from reserving the name Golden State Energy unless it is consistent with PUC Code Section 1400.

3) **State Owned Program Income Revenue.** Authorizes specified moneys to be deposited in either the Wildlife Restoration Fund or the Fish and Game Preservation Fund.

4) **Extend and Expand Beverage Container Recycling Program.** Extends the sunset date of the recycling pilot program from January 1, 2023 to January 1, 2027. This bill increases the number of pilot projects from five to ten and the maximum number of operating years from three to five.

5) **Reduce Frequency of Jurisdiction Inspection Requirement.** Authorizes, instead of requires, the Department of Resources Recycling and Recovery to visit each jurisdiction once each year, but would require the department to do so no less than once every four years, to monitor the jurisdiction's implementation and maintenance of its waste diversion programs.

6) **Climate Smart Agriculture Account.** Establishes the Climate Smart Agriculture Account in the Department of Food and Agriculture Fund, which will be a depository for federal, state, and private sources. This bill requires CDFA to submit to the Legislature an overview of the account's income and expenditures for any fiscal year in which moneyed are received into or expended from the account.

7) **CalConserve Fund.** Transfers $3 million Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) for the purpose of providing loans for water conservation and water use efficiency projects and programs to achieve urban water use targets.

8) **Oil Spill Prevention and Administration Fund.** Expands the collection of the Oil Spill Prevention and Administration Fee to renewable fuels similar to petroleum on January 1, 2022. Increases the fee cap from $0.065 cents per barrel to $0.085 cents per barrel on October 1,

2021. Beginning, July 1 2023 adjusts the fee annually consistent with the California Consumer Price Index.

9) **Parks Pilot Programs.** Requires the Department of Parks and Recreation, until July 1, 2024, to waive the $5 fee to obtain the "Golden Bear Pass," which is a discount program available to persons, who meet specified criteria. Also, on and before September 1, 2021, this bill authorizes Parks, to establish a "California State Park Adventure Pass" to be available, upon application to the department, to any child in the 4th grade, or 4th grade equivalent, who is a California resident. On and after September 1, 2021, this bill waive the day use entrance fee to an eligible unit of the state park system for any child who holds such a pass. This bill repeals the "California State Park Adventure Pass" program on July 1, 2024.

10) **Electric Program Investment Charge (EPIC) Program.** Authorizes the Energy Commission to non-competitively add follow-on funding for successful EPIC projects with legislative reporting requirements.

11) **Establishing the Office of Energy Infrastructure Safety**. Transfers existing authority, including investigative powers and appeals through the Superior Court, from the California Public Utilities Commission to the Office of Energy Infrastructure Safety under the Natural Resources Agency. The Office was created pursuant to AB 1054 (Holden, Statutes of 2019).

12) **Drought Contract Relief**. Provides temporary flexibility, until January 1, 2024, in providing interim relief during a drought scenario with funds appropriated in the budget. This bill allows a drought scenario to be declared by the Governor or the State Water Resources Control Board (SWRCB). The SWRCB can only declare a drought scenario after notifying the Joint Legislative Budget Committee, Director of Emergency Services, and the implementing agencies. To the extent feasible, SWRCB shall conduct a public hearing on the proposed drought scenario and proposed actions. The eligible interim relief covers: hauled water, temporary community water tanks, bottled water, water vending machines, emergency water interties, new wells or rehabilitation of existing wells, construction of connections to adjacent water systems, recycled water projects, or other projects that provide immediate drought response, and fish and wildlife protection. This temporary flexibility includes exemptions from the Administrative Procedure Act, public contacting code requirements, and declares these projects eligible for an existing California Environmental Quality Act (CEQA) exemption for emergency projects. Implementing agencies that may utilize this flexibility include: the Office of Emergency Services, Natural Resources Agency, Department of Food and Agriculture, Environmental Protection Agency, the Health and Human Services Agency, and any offices or departments under those agencies.

13) **Water Debt Arrearages.** Provides programmatic guidance to the State Water Resources Control Board (SWRCB) on how to implement the $1 billion of relief to reduce customer water bills as a result of the COVID 19 pandemic. This funding covers water debt from residential and commercial customers accrued between March 4, 2020 and June 15, 2021, if that customer is 60 days or more behind on their payments. The bill requires SWRCB, within 90 days, to survey water systems for outstanding debt and adopt program guidelines. The bill requires SWRCB to accept applications from water systems within 14 days of the guidelines being adopted and begin disbursing funds by November 1, 2021, and complete disbursement by January 31, 2022. In the event there are not enough funds appropriated to cover the eligible water debt, SWRCB shall disburse the funds on a proportional basis. If there are excess funds, the remaining funds shall cover wastewater debt with disbursement beginning no later than February 1, 2022. Water systems must remit any unused funds after six months. Water systems

shall prioritize residential customers and those with the highest debt. SWRCB shall first disburse funds to small water systems, defined as under 3,300 service connections or a yearlong population of fewer than 10,000 people. Water systems receiving funds may not shutoff service for nonpayment before September 30, 2021 or later if a customer is current on a payment plan. Water systems must offer customers the option of signing up for a payment plan. Water systems must credit customer accounts and notify customers within 60 days. SWRCB must contact water systems who have not applied after 60 days. SWRCB shall coordinate with the Department of Community Services and Development regarding publicly owned utilities that provide water and electric services.

14) **California Air Resources Board Administrative Procedure Act Exemption.** This bill provides two exemptions from the Administrative Procedure Act (APA) for the programs funded through the Air Resources Board in this year's budget. The exemptions cover the Alternatives to Agricultural Burning in the San Joaquin Valley program and Zero-Emission Vehicle incentive programs funded through the General Fund. This provides consistency with programs funded with Greenhouse Gas Emission Reduction Fund, which already has an APA exemption.

15) **Continuous Appropriation of Natural Gas Subaccount, Public Interest Research, Development, and Demonstration Fund.** Continuously appropriates funds from the natural gas subaccount from the Public Interest Research, Development and Demonstration Fund. This program known as PIER, is administered by the Energy Commission and funds research and development in the natural gas sector using ratepayer funds from investor owned utility customers. This bill also requires the Energy Commission to annually report to the Legislature on the outcomes, impacts, and benefits of the program.

COMMENTS

According to the Author
These statutory changes are necessary to implement the Budget Act of 2021. Additionally, this bill fixes the structural deficit in the Oil Spill Prevention and Administration Fund.

Arguments in Support
None on File.

Arguments in Opposition
None on File.

FISCAL COMMENTS

The funding related to the changes in this bill is contained in the Budget Act of 2021. This bill also transfers $3 million Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Proposition 1) for the purpose of providing loans for water conservation and water use efficiency projects and programs to achieve urban water use targets.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener

NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Shy Forbes / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 153 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

This is the Child Welfare Services trailer bill to accompany appropriations made in the 2021 Budget Act.

Major Provisions

1. States the intent of the Legislature to exercise the option afforded to states in the Family First Prevention Services Act of 2018 (federal FFPSA) to receive federal financial participation for prevention services that are provided for a candidate for foster care, a pregnant or parenting foster youth, and their parents or kin caregivers, and the allowable costs for the proper and efficient administration of the program. The federal FFPSA provides states with an option to use federal funds under Title IV of the federal Social Security Act to provide mental health and substance abuse prevention and treatment services and in-home parent skill-based programs to a child who is a candidate for foster care or a child in foster care who is a pregnant or parenting foster youth.

2. Authorizes a county, or Indian tribe, consortium of tribes, or tribal organization that has entered into an agreement with the state regarding the care and custody of Indian children to elect to provide the FFPSA prevention services.

3. Requires the State Department of Social Services (DSS) to have oversight of those prevention services and to seek all necessary federal approvals to obtain Title IV-E federal financial participation for those prevention services.

4. Requires the DSS to develop an allocation methodology to distribute state funding for the prevention services program.

5. Requires counties to use the allocated funds and to document and report the services.

6. Authorizes the State Department of Health Care Services (DHCS) to submit a Medicaid state plan amendment, waiver request, or both, to maximize federal financial participation under the Medi-Cal program for FFPSA prevention services and requires the DHCS to maintain oversight over the prevention services claimed under the Medi-Cal program.

7. Requires a short-term residential therapeutic program (STRTP), as a condition of licensure, to provide specified trauma-informed support and transition services to foster youth as part of a planned or unplanned discharge. A STRTP is a residential facility licensed by the DSS and operated by any public agency or private organization that provides an integrated program of specialized and intensive care and supervision, services and supports, treatment, and short-term, 24-hour care and supervision to children, including foster children.

8. Makes various changes to provisions relating to the licensing of, and the placement of foster youth in, STRTPs in order to conform those provisions to the federal FFPSA requirements, including requiring a qualified individual, as defined and based on federal

approval and a process developed jointly by specified departments, to conduct an assessment of certain placements to STRTPs establishing a process for the juvenile court to review and approve the placement of a dependent child, ward, or nonminor dependent in a STRTP, requiring county social workers and probation officers to include certain information in specified social studies, reports, and case plans, requiring STRTPs to ensure the availability of nursing staff, and providing at least six months of family-based aftercare services postdischarge.

9. Repeals the conditional suspension for December 31, 2021 that had applied to the program in the Department of Housing and Community Development to provide funding to counties for allocation to child welfare services agencies to help young adults who are 18 to 24 years of age, inclusive, secure and maintain housing, with priority given to young adults formerly in the state's foster care or probation systems.

10. Requires the HCD, subject to an appropriation in the annual Budget Act, to allocate funding to counties to continue the housing navigator program to help young adults 18 to 21 years of age, inclusive, secure and maintain housing, with priority given to young adults in the foster care system. Requires a child welfare agency that accepts any distribution of money to report specified information to the HCD on an annual basis.

11. Requires the housing navigator program for any county that accepts any distribution of money to provide specified training to its child welfare agency social workers and probation officers who serve nonminor dependents, including training to address an overview of the housing resources available through the local coordinated entry system, homeless continuum of care, and county public agencies.

12. Establishes the THP-Plus Housing Supplement Program and requires the HCD, subject to an appropriation in the annual Budget Act, to allocate and distribute funds to up to 11 counties under the program. Specifies that a county is eligible to receive this supplemental funding if the fair market rent for a 2-bedroom apartment in the county is one of the 11 most expensive in the state during the 2020–21 federal fiscal year. Specifies requirements for counties that elect to receive this funding, including, among others, that the county maintain the bed capacity for the Transitional Housing Program-Plus program that the county contracted for as of July 1, 2021. Additionally, prescribes the method of calculating the amount of supplemental funding a county receives pursuant to this program.

13. Requires the State Department of Developmental Services (DDS) to enter into interagency agreements, as specified, to obtain state and federal funding with the state departments that oversee the agencies that have the legal responsibility to serve all members of the general public and receive public funds for providing those services, in the effort to maximize federal financial participation and facilitate timely access to residential placements of consumers in foster care. Requires regional centers to fund the vendored residential service types, as specified.

14. Prohibits the placement of foster youth, nonminor dependents, and wards of the court in out-of-state residential facilities, as defined, on and after July 1, 2021.

15. Authorizes those placements before July 1, 2022, if specified criteria are met, including that the facility has been certified for placement by the DSS or is exempt from that certification. On and after July 1, 2022, prohibits the DSS from certifying new out-of-state

residential facilities or seeking approval of new placements by county child welfare agencies or probation departments in out-of-state residential facilities.

16. Prohibits county child welfare agencies from placing a child in an out-of-state residential facility, unless specified placement criteria are met and the agency completes specified tasks to seek a child-specific certification of an out-of-state residential facility.

17. Requires the DSS to decertify all out-of-state residential facilities on or after January 1, 2023, and ensure that all children and youth have been returned to California by that date.

18. Sets forth the duties of the DSS, as the designated Compact Administrator for the state pursuant to the Interstate Compact on the Placement of Children, in reviewing a child-specific approval of a placement in an out-of-state residential facility.

19. Requires the DSS to report the number of children placed in an out-of-state residential facility pursuant to the compact on or before September 1, 2021, and each month thereafter, as specified, and requires the DSS to report every six months beginning January 1, 2022, specified data on children placed in out-of-state residential facilities. Makes conforming changes pursuant to these larger changes.

20. Requires the DSS, jointly with the DHCS, to establish the Children's Crisis Continuum Pilot Program (pilot program) for the purpose of developing treatment options that are needed to support California's commitment to eliminate the placement of foster youth with complex needs in out-of-state facilities.

21. Requires the DSS to establish guidelines for foster youth eligibility and the selection, operation, and evaluation of the five-year pilot program, including guidelines on specified aspects of the structure of the pilot program.

22. Requires the DSS, jointly with the DHCS, to take specified actions, including providing technical assistance to applicants and participating entities, awarding grants to participating entities, and developing a request for proposal process and selection criteria to determine which applicants will participate in the pilot program. Requires the selection criteria to include certain components, including submission of a plan by an applicant. Requires proposals to be submitted no later than January 31, 2022, and that grant funds be disbursed no later than March 31, 2022.

23. Requires participating entities to develop, in collaboration with a workgroup, a highly integrated continuum of care for foster youth served in the pilot program. Requires the continuum of care, across all service settings, to reflect specified core program features and service approaches, including highly individualized and trauma-informed services.

24. States the intent of the Legislature to appropriate funds to the DSS in the annual Budget Act or another statute for the purpose of administering a grant program to provide funding to participating entities for the duration of the pilot program.

25. Requires the DSS, three years after commencement of the pilot program, and no later than April 1, 2025, to submit an interim report relating to the pilot program to the Assembly Committee on Human Services and the Senate Committee on Human Services.

26. Authorizes the pilot program to be implemented through all-county letters or other similar instruction and would require any guidance issued pursuant to that authorization to be issued by March 1, 2022.

27. Requires the joint interagency resolution team formed by the Secretary of California Health and Human Services and the Superintendent of Public Instruction to update the January 1, 2020 review regarding the placement and service options available to county child welfare agencies and county probation departments for specified children and youth with intensive needs and provide recommendations to the Legislature no later than December 31, 2022, that take into account the specific needs and characteristics of youth with unplanned discharges from STRTPs and youth for whom counties were unable to, or have difficulty with, securing placements and providing trauma-informed services.

28. Requires the joint interagency resolution team to track and report deidentified information of children and nonminor dependents in foster care who have been assisted to preserve, or secure new, intensive therapeutic options and to post that information on the internet website of the California Health and Human Services Agency beginning July 1, 2022, and annually thereafter.

29. Requires the DSS to allocate funds appropriated in the Budget Act of 2021 through contracts with community-based providers or entities or through local assistance allocations to counties or Indian tribes that support new or expanded programs, services, and practices that ensure the provision of a high-quality continuum of care that is designed to support foster children in the least restrictive setting. Additionally, requires the DSS to use the allocated funds to supplement county efforts to build system capacity for specified activities, including specialized models of professional foster care.

30. Requires the DSS and the DHCS, in consultation with county representatives and other stakeholders, to develop recommendations for implementing and expanding high-fidelity wraparound services statewide.

31. Requires a county social worker or probation officer to include in certain reports to the juvenile court a factual discussion of whether the youth or nonminor dependent has received comprehensive sexual health education and whether the youth or nonminor dependent has been informed of the topics relating to reproductive and sexual health care.

32. Requires a county social worker or probation officer to include in certain reports to the juvenile court the identity of the person or persons responsible for assisting the child or nonminor dependent with applications for postsecondary education and related financial aid, unless the child or nonminor dependent states that they do not want to pursue postsecondary education, including career or technical education. Requires the juvenile court to make a determination regarding whether the social worker has performed these duties. Requires the Judicial Council, on or before January 1, 2023, to amend and adopt rules of court and to develop appropriate forms necessary to implement these requirements.

33. Makes a pregnant minor or nonminor dependent eligible for the infant supplement for a specified period before the expected date of birth. Requires the DSS to develop and implement automated payments for these purposes.

34. Extends eligibility for payments under the Approved Relative Caregiver Funding Program on behalf of a child or nonminor dependent placed out of state in the home of a relative, if

the child or nonminor dependent is ineligible for AFDC-FC payments and meets other existing eligibility requirements. Requires the home of the out-of-state relative to be licensed or approved as required by the state in which the home is located.

35. Extends payments for children placed with caregivers who have not yet completed the Resource Family Approval process for the 2021-22 fiscal year, delaying the time limits that were to begin in the 2021–22 fiscal year apply beginning in the 2022–23 fiscal year. For the 2021–22 fiscal year, makes these payments eligible for the federal and state share of payment until approval or denial of the resource family application or for up to 120 days, whichever comes first, and would authorize an extension of eligibility for the federal and state share of payment for up to 365 days if certain conditions are met by the county, including, among others, the provision of monthly documentation showing good cause for the delay in approving the resource family application that is outside the control of the county.

36. Extends the interim foster family agency rates through December 31, 2022, and increases the amount included for the component for social workers in the interim rates by $50 per child, per month, effective July 1, 2021.

37. States the intent of the Legislature to develop an ongoing payment structure for foster family agency rates no later than January 1, 2023 and requires the payment structure to be implemented when the DSS notifies the Legislature that the statewide automation systems can complete the necessary automation functions.

38. Repeals the conditional suspension for December 31, 2021 that had applied to the foster family agency rate increase described above.

39. Requires the DSS, subject to an appropriation for this purpose in the annual Budget Act, to administer the California Guaranteed Income Pilot Program to provide grants to eligible entities for the purpose of administering pilot programs and projects that provide a guaranteed income to participants. Requires the DSS to prioritize funding for pilot programs and projects that serve California residents who age out of the extended foster care program and pregnant individuals.

40. Requires the DSS, in consultation with relevant stakeholders, to determine the methodology for, and manner of, distributing California Guaranteed Income Pilot Program grants, subject to certain requirements and requires an eligible entity, in order to receive a grant, to take specified actions, including presenting commitments of additional, nongovernmental funding for the pilot programs and projects to be funded with the grant.

41. Prohibits payments received by an individual from the California Guaranteed Income Pilot Program or project funded by those grants from being treated as income or resources for the purpose of determining eligibility or the amount of benefits under any state or local benefit or assistance program. Requires departments that administer certain federal benefit or assistance programs to, if possible, approve an exemption or waiver to exclude a guaranteed income payment from consideration as income or resources for purposes of the federal benefit or assistance program, or seek federal waivers or exemptions to do so.

42. Requires the DSS, upon allocation of funding to eligible entities, to report to the Legislature and post publicly on its internet website information about the California Guaranteed Income Pilot Program grants funded. Also requires the DSS to review and evaluate the

pilot programs and projects funded pursuant to these provisions, provide a report to the Legislature regarding that review and evaluation, and post a copy of the report on its internet website.

43. Exempts contracts or grants awarded under the California Guaranteed Income Pilot Program from specified personal services contracting requirements, the Public Contract Code, the State Contracting Manual, and approval by the Department of General Services. Authorizes the DSS to implement the program without taking any regulatory action. Makes these provisions inoperative on July 1, 2026, and repeals them on January 1, 2027.

44. Repeals the conditional suspension for December 31, 2021 that had applied to the child welfare public health nursing early intervention program in the County of Los Angeles.

45. Repeals the conditional suspension for December 31, 2021 that had applied to the Family Urgent Response System, which was established to respond to calls from caregivers or current or former foster children or youth during moments of instability.

46. Authorizes the DSS to implement, interpret, or make specific specified provisions of this act through all-county letters or similar written instructions until regulations are adopted, and would authorize the DHCS to implement, interpret, or make specific the provisions of this act by means of plan or all-county letters, information notices, plan or provider bulletins, or other similar instructions, until the adoption of regulations no later than July 1, 2024.

47. Appropriates $5,000,000 from the General Fund, for the 2020–21 fiscal year, to the DSS to administer the California Newcomer Education and Well-Being (CalNEW) Program, established pursuant to Section 13265 of the Welfare and Institutions Code, by allocating funding to school districts with a significant number of eligible refugee pupils to improve their well-being, English language proficiency, and academic performance. The funding would be available for encumbrance and expenditure until June 30, 2024. The funds appropriated would be applied toward the minimum funding requirements for school districts and community college districts imposed by Section 8 of Article XVI of the California Constitution.

48. States that to the extent that this act has an overall effect of increasing certain costs already borne by a local agency for programs or levels of service mandated by the 2011 Realignment Legislation within the meaning of Section 36 of Article XIII of the California Constitution, it shall apply to local agencies only to the extent that the state provides annual funding for the cost increase. Any new program or higher level of service provided by a local agency pursuant to this act above the level for which funding has been provided shall not require a subvention of funds by the state or otherwise be subject to Section 6 of Article XIII B of the California Constitution.

49. States that with regard to certain other costs that may be incurred by a local agency or school district, no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIB of the California Constitution. However, if the Commission on State Mandates determines that this act contains other costs mandated

by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

50. Declares that this measure is to take effect immediately as a bill providing for appropriations related to the Budget Bill.

COMMENTS

According to the Author

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

Provisions in this measure are supported by appropriations included in the 2021 Budget Act.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Nicole Vazquez / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 156 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021

SUMMARY

Provides the statutory framework to implement the broadband provisions contained in the 2021 budget package.

Major Provisions

Specifically, this bill:

1) Creates the structure for the broadband middle-mile project:
    a. Establishes the Office of Broadband and Digital Literacy at the Department of Technology to oversee the acquisition and management of a statewide open-access middle-mile broadband network;
    b. Requires the office to retain a third-party administrator, with experience serving libraries, schools, and universities, to manage the development, acquisition, construction, and maintenance of the middle-mile broadband network, this contract is exempt from Public Contracting Code;
    c. Requires the Public Utilities Commission, in collaboration with the third-party administrator, to identify and prioritize statewide open-access middle-mile locations using the following criteria and process:
        i. Identify locations that will enable last-mile service connections and are in communities where there is no known middle-mile infrastructure that is open access, with sufficient capacity, and at affordable rates;
        ii. Identify priority statewide open-access middle-mile broadband network locations, including areas that can be built expeditiously, areas with no known middle-mile network access, regions underserved by middle-mile networks, and regions without sufficient capacity to meet future middle-mile needs.
        iii. Prioritize locations that enable last-mile connections to residences unserved by 25 mbps downstream and 3 mbps upstream. The locations prioritized by the commission may also include entities that lack sufficient high-bandwidth connections, including, but not limited to, all of the following:
            1. Elementary and secondary schools.
            2. Community colleges and other institutions of higher education.
            3. Government entities.
            4. Healthcare institutions.
            5. Libraries.
            6. Public safety answering points and technologies to assist in the prevention or response to natural disasters, including, but not limited to, fairgrounds.
            7. Tribal lands;
        iv. Requires the Public Utilities Commission, in collaboration with relevant stakeholders, to identify state highway rights-of-way where installation of open-access middle-mile broadband infrastructure should be prioritized. In prioritizing state highway rights-of-way, the commission shall prioritize a

geographically diverse group of projects in rural and urban areas of the state to achieve the greatest reductions in the amount of households unserved by broadband internet access service meeting federal and state standards;

v. Stipulates that prioritized locations must be published on the Public Utilities Commission website for the Commission to solicit public comment:
    1. Requires a 90 day public comment period;
    2. Allows for communications providers to submit confidential information, which may be shared with the Department of Transportation;

d. Obliges the Office of Broadband and Digital Literacy to develop a statewide open-access middle-mile network using the information from the prioritization process overseen by the Public Utilities Commission, as noted above, with technical advice from service providers, governmental entities, non-profits, tribes, organized labor, regional consortia, and a potential working group;

e. Stipulates the construction process for the middle-mile:
    i. Uses a construction manager/general contractor method of construction, with no limit to the contract amount;
    ii. Allows for one or more contractors to be selected to build all or portions of the middle-mile;
    iii. Requires the Department of Transportation to establish a procedure to prequalify job order contractors and shall prepare a set of documents for each job order contract that stipulate unit prices and job order contract specification;
    iv. Authorizes the Office of Broadband and Digital Literacy, or another entity, including the Department of Transportation, to solicit competitive sealed bids from prequalified job order contractors for contracts lasting no more than 12 months, with two additional possible 12-month extensions or renewal periods;

f. Allows the Office of Broadband and Digital Literacy to issue rules to encourage or require internet services providers that use the statewide open-access middle-mile broadband network to participate in the lifeline program pursuant to the Moore Universal Communications Service Act (Article 8 (commencing with Section 871) of Chapter 4 of Part 1 of Division 1 of the Public Utilities Code) and the federal lifeline program;

g. Stipulates that the middle-mile network is for a public purpose and can be leased for less than fair market value;

h. Outlines the operation of the middle-mile by the Office of Broadband and Digital Literacy:
    i. Permits the Office of Broadband and Digital Literacy to establish reasonable user policies, perform reasonable network management practices, and create related standards and policies.
    ii. Requires a variety of services offered to internet service providers or other eligible entities on the statewide open-access middle-mile broadband network.
    iii. Considers, when feasible, the term of access to dark fiber shall be no less than a 20-year indefeasible right to use.
    iv. Requires, when feasible, the Office of Broadband and Digital Literacy to consider including excess conduit capacity in projects to ensure for potential growth of the statewide open-access middle-mile broadband network.

v. Allows the making of a grant of dark fiber strands for purposes of enhancing the California Research and Education Network.

i. Creates an accountability structure within the Office of Broadband and Digital Literacy:

i. Establishes the Deputy Director for Broadband who:

1. shall be appointed by, and hold office at the pleasure of, the Governor;
2. shall be the primary point of contact for the third-party administrator, the commission, the Department of Transportation, and the Legislature;

ii. Requires the Department of Technology to establish a broadband advisory committee to monitor the construction and establishment of the statewide open-access middle-mile broadband network, with the following structure and membership:

1. Identifies the members of the broadband advisory committee:
   a. A representative of the Public Utilities Commission;
   b. A representative of the Department of Technology;
   c. A representative of the Department of Transportation;
   d. A representative of the Department of Finance;
   e. A representative of the Government Operations Agency;
   f. Two ex officio members, who shall be members of the Assembly and be appointed by the Speaker of the Assembly. These ex officio members shall serve at the pleasure of the Speaker of the Assembly; and
   g. Two ex officio members, who shall be members of the Senate and be appointed by the Senate Committee on Rules. These ex officio members shall serve at the pleasure of the Senate Committee on Rules.
2. Designates the representative of the Department of Technology shall chair the broadband advisory committee.
3. Requires monthly meetings for the first 12 months following the effective date of this section, and shall meet quarterly thereafter;
4. Stipulates that the third-party administrator shall seek policy advice from the broadband advisory committee;

iii. Requires reporting on or before March 1, 2022, and annually thereafter, the office, in consultation with the department and the Department of Finance, shall report to both budget committees of the Legislature all of the following:

1. The total length of the statewide open-access middle-mile broadband network.
2. The length of the portion of the statewide open-access middle-mile broadband network constructed in the preceding year, by quarter.
3. The number of internet service providers using the statewide open-access middle-mile broadband network.
4. The number of households projected to connect to the statewide open-access middle-mile broadband network.
5. The total expenditures for each project, by quarter.
6. The projected goals for each of the metrics described above, for the 18 months following the report.

2) Allows a County to acquire, construct, improve and maintain broadband infrastructure and operate a broadband internet access service;

3) Expands the definition of local agencies subject to public broadband services to include counties, local education agencies, tribal governments, joint power authorities, and electrical cooperatives;

4) Exempts the middle-mile and other linear broadband deployment in a right of way by private or non-profit corporations from the provision of the California Environmental Quality Act if certain conditions are fulfilled.
    a. The project must:
        i. Locate in an area identified by the Public Utilities Commission as a component of the statewide open-access middle-mile broadband network.
        ii. Construct along, or within 30-feet of, the right-of-way of any public road or highway.
        iii. Deploy underground where the surface area is restored to a condition existing before the project or placed aerially along an existing utility pole right-of-way.
        iv. Incorporate, as a condition of project approval, measures developed by the Public Utilities Commission or the Department of Transportation to address potential environmental impacts. At minimum, the project shall be required to include monitors during construction activities and measures to avoid or address impacts to cultural and biological resources.
        v. Comply with all conditions otherwise authorized by law, imposed by the planning department of a city or county as part of a local agency permit process, that are required to mitigate potential impacts of the proposed project, and to comply with the Keene-Nejedly California Wetlands Preservation Act (Chapter 7 (commencing with Section 5810) of Division 5), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code), as applicable, other applicable state laws, and all applicable federal laws.
    b. If a project meets all of these requirements, the person undertaking the project shall do all of the following:
        i. Notify, in writing, any affected public agency, including, but not limited to, any public agency having permit, land use, environmental, public health protection, or emergency response authority, of the exemption of the project pursuant to this section.
        ii. Provide notice to the public in the area affected by the project in a manner consistent with subdivision (b) of Section 21108.
        iii. Receive, in the case of private rights-of-way over private property, from the underlying property owner permission for access to the property.
        iv. Comply with all conditions authorized by law imposed by the planning department of a city or county as part of any local agency permit process, that are required to mitigate potential impacts of the proposed project, and otherwise comply with the Keene-Nejedly California Wetlands Preservation Act (Chapter 7 (commencing with Section 5810) of Division 5), the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of

Division 3 of the Fish and Game Code), as applicable, other applicable state laws, and all applicable federal laws.

5) Amends the Broadband Infrastructure Grant Account program to reflect the $2 billion "last mile" grant funding provided for in the 2021-22 budget, these changes:
    a. Defines an unserved area as an area that does not offer at least one tier of services of 25 megabits per second downstream and 3 megabits per second upstream service speeds with sufficiency low latency to allow real-time interactive applications;
    b. Allows funding provided to match or leverage federal funding;
    c. Requires the Public Utilities Commission to transition the California Advanced Services Fund program methodologies to provide serviceable locations and leverage that funding;
    d. Requires the Public Utilities Commission to provide technical assistance to local governments and providers, assist in developing grant applications, and assist in preparing infrastructure plans;
    e. Updates the speed requirement for infrastructure projects funded to be at least 100 megabits per second downstream and 20 megabits per second upstream service speeds or the most current speed set by the Federal Communication Commission;
    f. Removes limitations on local governments receiving grant funding;
    g. Revises "low-income" community eligibility to include publicly supported housing developments, and other housing developments or mobile home parks with low-income residents, as determined by the commission for purpose of the use of the Broadband Public Housing Account;
    h. Eliminates obsolete reporting requirements;
    i. Requires specific reporting on expenditure of these funds, including contractors name and license number for any contract or subcontract exceeding $25,000;
    j. Allocates the $2 billion provided in the budget in the following manner:
        i. $1,000,000,000, at least, for last-mile broadband projects in rural counties as follows:
            1. first allocate five million dollars ($5,000,000) for last-mile broadband projects in each rural county.
            2. Then remaining moneys based on each rural county's proportionate share of the California households without broadband internet access service with at least 100 megabits per second download speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.
        ii. $1,000,000,000 initially for last-mile broadband projects in urban counties as follows:
            1. first allocate five million dollars ($5,000,000) for last-mile broadband projects in each urban county.
            2. Then remaining moneys based on each urban county's proportionate share of the California households without access to broadband internet access service with at least 100 megabits per second download

speeds, as identified and validated by the commission pursuant to the most recent broadband data collection, as of July 1, 2021, as ordered in commission Decision 16-12-025 (December 1, 2016), Decision Analyzing the California Telecommunications Market and Directing Staff to Continue Data Gathering, Monitoring and Reporting on the Market.

k. Stipulates that any moneys allocated that are not encumbered on or before June 30, 2023, shall be made available to the commission to allocate for the construction of last-mile broadband infrastructure anywhere in the state.

6) Establishes the Broadband Loan Loss Reserve Fund to fund costs related to financing of the deployment of broadband infrastructure by a local government agency or nonprofit organization including, but not limited to, payment of costs of debt issuance, obtaining credit enhancement, and establishment and funding of reserves for the payment of principal and interest on the debt;
   a. Establishes a continuously appropriation, without regard to fiscal years, for this fund.
   b. Authorizes, in the budget year, the Public Utilities Commission to may make cashflow loans to the Broadband Loan Loss Reserve Fund.
   c. Permits the Public Utilities Commission to establish, among other things, eligibility requirements, financing terms and conditions, and allocation criteria, for infrastructure projects deployed using financing supported in whole or in part by funds allocated pursuant to this section.
   d. Allows the Public Utilities Commission to require a local government agency or nonprofit organization to provide information demonstrating the agency's or nonprofit organization's ability to reasonably finance and implement the infrastructure project deployed using financing supported in whole or in part by funds allocated pursuant to this section.
   e. Requires biannual progress reports identifying project milestones and percent completions to date and a completion report, including a full description of the completed project, comparison of approved versus actual costs of construction, speed test data for all areas served by the project;

7) Allows a joint powers authority to issue revenue bonds for deployment of broadband by a public or nonprofit organization that are supported by the Broadband Loan Loss Reserve; and

8) Requires the Public Utilities Commission to conduct a biennial fiscal and performance audit of the implementation and effectiveness of the California Advanced Services Fund beginning in April 1, 2023.

COMMENTS

This bill contains necessary statutory changes to implement the broadband provisions included in the 2021-22 budget package. Funding for this bill is included in SB 129 (Skinner) and AB 164 Ting/SB 164 (Skinner) which amend the 2021 Budget Act AB 128 (Ting, Chapter 21, Statutes of 2021).

There are three major elements to the broadband package:

1. **Middle-Mile.** This bill creates a structure and framework for the construction of a $3.25 billion state-owned open-access middle mile broadband infrastructure through a third-party administrator overseen by the Department of Technology. This bill priorities for middle mile construction a geographically diverse group of projects in rural and urban areas of the state to achieve the greatest reductions in the amount of households unserved by broadband internet access service meeting federal and state standards. This bill also outlines the roles of the Department of Technology, the Public Utilities Commission, and the Department of Transportation in the project and establishes a Deputy Director of Broadband as the central point of contact. Finally this bill establishes a broadband advisory council, with legislative appointments, and includes reporting measures.

2. **Last Mile**. This bill amends the existing Broadband Infrastructure Grant Account program to allocate the $2 billion for last mile expenditures. Of this amount, at least $1 billion must be used for last mile projects in rural counties, and $1 billion is initially allocated to urban counties

3. **Loan Loss**. This bill creates a continuously appropriated loan-loss fund to assist local governments and non-profits in financing broadband service projects. The budget includes $750 million in total funds for this purpose.

This bill also includes a narrow exemption for CEQA for a broadband project using an existing right-of-way that meets other specific criteria laid out in the bill. The exemption applies to the middle mile and projects undertaken by public and private entities for that purpose.

According to the Author
This bill provides a necessary statutory framework needed to implement the broadband proposal contained in the 2021 budget package.

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

The 2021 budget package implements the first year of a three-year $6 billion investment in the broadband. Funding appropriated in SB 129 (Skinner) as amended by AB/SB 164 providers $4.372 billion ($50 million General Fund) in 2021-22 to begin this project.

There are three components to the broadband proposal, outlined by the bill:

1) $3.25 billion federal American Rescue Plan Act (ARPA) funds for the construction of the open-access broadband middle mile, appropriated in 2021-22.

2) $2 billion ($928 million General Fund and 1.072 billion federal ARPA) for last mile funding, of which $1.072 billion is available in 2021-22, $125 million is available in 2022-23, and $803 million is available in 2022-24.

3) $750 million General Fund for the loan-loss reserve of which $50 million in appropriated in 2021-22, $125 million is appropriated in 2022-23 and the balance of $575 million is included in 2023-24.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 160 (Committee on Budget and Fiscal Review)
As Amended July 11, 2021
2/3 vote

SUMMARY

This cannabis trailer bill contains necessary changes related to the 2021 Budget Act. This bill amends AB 141, which, among other things, established the Department of Cannabis Control within the Business, Consumer Services and Housing Agency. Specifically, this bill:

Major Provisions

1) Revises the definition of "manufacture" to include the package or label of a cannabis product.

2) Clarifies that the Department of Cannabis Control (DCC) has the authority to create, issue, deny, renew, discipline, suspend or revoke licenses. States that this authority is a matter of statewide concern.

3) Revises the conditions under which DCC is authorized to issue a provisional licenses to include compliance with labor peace agreements and employee safety training standards.

4) Authorizes DCC to issue provisional licenses to eligible cultivation licenses applicants until September 30, 2022 and eligible local equity license applicants until June 30, 2023.

5) Limits the authority to apply to the appropriate superior court for a judgement and an order related to certifying manufactured cannabis to the Department of Food and Agriculture.

6) Establishes January 1, 2022 as the date by which the Department of Food and Agriculture must create a process for licensed cannabis cultivators to establish appellations of origin for cannabis produced in certain geographical areas of California.

7) Requires DCC to create regulations regarding the amount of trade samples that may be provided to a licensee.

COMMENTS

The bill revises certain provisions of the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA) that are amended by AB 141. This bill is only operative if AB 141 is enacted before this bill.

According to the Author

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

This bill appropriates $10,000 from the General Fund to the Department of Cannabis Control to implement the provisions of the bill.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Michael Lucien / BUDGET / (916) 319-2099 FN:

SENATE THIRD READING
SB 164 (Skinner)
As Amended July 11, 2021

SUMMARY

Amends the 2021 Budget Act to address technical changes and chaptering issues.

Major Provisions

Specifically this bill:

1) Deletes duplicate provisional language for the Judicial Branch relating to the distribution of Equal Access funding;
2) Adjusts funding for small business advocates in the Governor's Office of Economic Development to reflect state administrative costs;
3) Corrects Department of Cannabis Control funding support;
4) Updates provisional language for the Department of Housing and Community Development for the Transitional Housing Program, THP Plus Housing program and the Financial Assistance Program;
5) Adds language allowing for the reappropriation for federal funds appropriated to the Department of Housing and Community Services in the 2020 budget;
6) Makes a clarifying technical change to provisional language for the State Lands Commission;
7) Updates statutory references for revisions of Sacramento-San Joaquin Delta Conservancy funding;
8) Corrects statutory references for the reappropriation of Greenhouse Gas Reduction Funds at the California Air Resources Board;
9) Makes technical changes and corrections to the Department of Public Health items;
10) Corrects a typographical error in provisional language for the Mental Health Services Oversight and Accountability Commission;
11) Removes $8 million that had been included to help to prevent unsuccessful redeterminations for Medi-Cal eligible consumers receiving In-Home Supportive Services (IHSS) program services;
12) Adjusts the Department of Education budget item to conform to changes and funding associated with the Early Care and Education trailer bill provisions contained in AB 131 and SB 131;
13) Clarifies provisional language pertaining to ethnic media outreach contained in the State Library budget item;
14) Addresses chaptering issues related to change to the University of California, Scholarshare, and the Student Aid Commission;
15) Adds authority to reappropriated specific funding provided in 2018 and 2020 to the University of California;
16) Corrects the budget item for the California Workforce Development Board to specify that the High Road Training partnership receives $100 million and makes other technical changes to provisional language in this item;
17) Makes technical changes to the funding for the Department of Industrial Relations budget;

18) Clarifies provisional language related to the K-16 Collaborative in the Department of General Services budget item;
19) Makes technical adjustments to the budget items of the Department of Technology, the Public Utilities Commission, and the Department Transportation to conform with the broadband implementation plan;
20) Adjusts the California Arts Council budget item to allow the Council to establish a nonprofit to provide low-cost paymaster and payroll services to small nonprofit arts organizations; and
21) Corrects drafting non-substantive errors in various budget items.

COMMENTS

The bill amends the budget act, AB 128 (Ting, Chapter 21, Statutes of 2021) as amended by AB 161 (Ting, Chapter X of Statutes of 2021) to make minor technical and clarifying changes. This bill anticipates that SB 129 (Skinner) in chaptered prior to the adoption of this bill.

According to the Author
This bill makes technical changes and corrections to the 2021 budget act.

Arguments in Support
None on file.

Arguments in Opposition
None on file.

FISCAL COMMENTS

This bill makes minor changes to the 2021-22 budget package the result in a net savings of $8 million General Fund.

VOTES

SENATE FLOOR: 29-8-2
YES: Allen, Archuleta, Atkins, Becker, Bradford, Caballero, Cortese, Dodd, Durazo, Eggman, Glazer, Gonzalez, Hertzberg, Hueso, Hurtado, Laird, Leyva, McGuire, Min, Newman, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener
NO: Bates, Dahle, Grove, Jones, Melendez, Nielsen, Ochoa Bogh, Wilk
ABS, ABST OR NV: Borgeas, Limón

UPDATED

VERSION: July 11, 2021

CONSULTANT: Christian Griffith / BUDGET / (916) 319-2099 FN:

CONCURRENCE IN SENATE AMENDMENTS
AB 132 ()
As Amended July 9, 2021

SUMMARY

This bill Enacts statutes relating to higher education budget trailer bill as part of the Budget Act of 2021.

Senate Amendments

1. *Cradle to Career Data System*. Creates the Cradle to Career data system within the Government Operations Agency. The system is intended to link education, workforce, health and human service data systems to better provide public data on educational outcomes and services for students and families. The system will be governed by a 21-person board, comprised of representatives from data providers, eight members of the public appointed by the Governor and Legislature, and two members of the Legislature.

2. *Financial Aid applications*. Creates a new requirement for local education agencies (LEAs) and charter schools to confirm that students enrolled in the 12th grade complete a Free Application for Federal Student Aid (FAFSA) or a California Dream Act application (CADAA) in 2022-23. Establishes opt-out options for students as well.

3. *Dual Admissions.* Creates a new dual admissions program at the University of California and California State University to allow student transfer admissions at UC and CSU before they enroll in a community college transfer program.

4. *Basic Needs Coordinators*. Establishes basic needs coordinators and basic needs centers at community colleges to address food and housing security among students.

5. *Cal Grant Expansion*. Creates the California Community College Expanded Entitlement Program, which removes age and time-out-of-high-school barriers to Cal Grant for income-eligible community college students. Students would be eligible to receive a Cal Grant in community college, and Cal Grant support would continue if the student transfer to UC or CSU. This action includes an expansion of the Students with Dependent Children award, to allow up to $250 million to be used to provide $6,000 stipends to Cal Grant recipients who are parents.

6. *Cal Grant Expansion for Foster Youth*. Provides $6,000 in non-tuition support for all Cal Grant students who are former foster youth.

7. *Golden State Teacher Grant Program*. Makes technical changes to the Golden State Teacher Grant Program, which provides financial aid to teacher certification students. Extends expenditure date until 2024, allows eligibility for transitional kindergarten certificate students, and redefines priority schools.

8. *Golden State Education and Training Grant Program*. Creates the Golden State Education and Training Grant Program, which provides education grants of up to $2,500 for workers

displaced by COVID 19. Grant recipients can use the funding to cover costs for higher education or other training programs.

9. *Cal Grant A Eligibility Restoration*. Modifies for the 2020-21 and 2021-22 award year, a Cal Grant A recipient's eligibility who is impacted by a change of living arrangement due to the pandemic, and specifies that their eligibility would be based on their financial need would have been if they had remained on campus.

10. *Learning Aligned Employment*. Establishes the Learning Aligned Employment program, a state work-study program for students attending the UC, CSU, and CCC, to be administered by CSAC. This program is available for students from an underrepresented background who is enrolled at least part time, a resident student and maintains satisfactory academic progress, and demonstrate financial need. The learning aligned employment position is to be related to the student's area of study or career interest, and placements with employers that are able to provide them with or connect them to full-time employment opportunities upon graduation.

11. *College Savings Program*. Expands the CalKIDS college savings program to make it an ongoing program, providing all California newborns with a college savings account, and additional funding for college savings accounts for low-income K-12 students.

12. *Middle Class Scholarship*. Specifies that starting with the 2022-23 academic year, an eligible student shall receive a Middle Class Scholarship that helps cover the total cost of attendance at UC and CSU. The award amount for each student is the difference between the cost of attendance and other financial aid and family and student contributions. Starting with the 2022-23, the annual appropriation for the program is determined by the budget act.

13. *Federal Funds for Fee Waivers*. Allows community colleges to use federal funds to waive student fees.

14. *Zero-Textbook-Cost degrees*. Provides $115 million one-time Proposition 98 General Fund for zero-textbook-cost degrees. Amends the CCC zero-textbook cost degrees to also include open educational resources for courses, as well as clarify that zero-textbook cost degrees may also include low-cost degrees if no-cost degrees are not available.

15. *Community College Deferrals*. Retires all community college deferrals created in the 2020 Budget Act.

16. *CCC Student Centered Funding Formula*. Extends the hold CCC Student Centered Funding Formula hold harmless provision from 2023-24 to 2024-25.

17. *CCC Pathways to Law School Program.* Establishes the CCC Pathways to Law School Program to expand pathways to law school programs by supporting dual enrollment partnerships, partnerships with CSU and UC to expand or implement transfer pathways and provide student support services at the CCCs. The bill also provides $5 million one-time Proposition 98 General Fund for this purpose.
18. *LAO Reporting*. Repeals an upcoming report from the Legislative Analyst's Office regarding CSU's remedial reforms. This reporting has been conducted by another research entity.

19. *UC and CSU Summer Financial Aid*. Repeals the suspension language for UC and CSU summer financial aid.

20. *Animal Shelter Assistance Act.* Establishes the Animal Shelter Assistance Act to provide competitive grants for outreach, regional conference sand resources on best practices for improving animal health and care in animal shelters, and in person assessments and training for local animal control agencies or shelters, societies for prevention of cruelty to animals, and humane societies. This bill requires UC to report by March 31, 2023 and March 31, 2026 on the use of funds, activities supported, list of grantees and analysis of the programs impact.

21. *UC Nonresident Reduction*. States legislative intent that UC limit the share of nonresident students to 18% per campus, and that the Legislature will appropriate funds to reduce nonresident students and replace them with California students at UC Berkeley, UCLA and UC San Diego.

22. *Bench to School Initiative*. Creates the California Institute on Law, Neuroscience and Education, a collaboration between the Memory and Aging Center of UCSF, Hastings College of the Law, and the UC/CSU California Collaborative for Neurodiversity and Learning to provide research on socioeconomic factors' impacts on learning, and to transfer that research to educational settings.

23. *California Veterinary Emergency Team Program.* Establishes the California Veterinary Emergency Team to assist in support and training of government agencies, nongovernmental organizations and individuals to assist in the evacuation and care of household and domestic animals and livestock in emergencies statewide. The program shall also conduct or support research on best practices for evaluation and care of animals in disasters.

24. *State Grants Portal*. Requires state agencies to provide the State Library post award data for grants by July 1, 2022. Specifies that the data include various information including the number of grants awarded and information about the award recipient and geographic location served.

25. *CCC College Buys Program.* Extends the sunset date from July 1, 2022 to July 1, 2023 for the College Buys program, which allows procurement of goods and services in bulk for community college system.

26. *Part Time Faculty Office Hours.* Provides $90 million one-time Proposition 98 General Fund to support increases to community college part-time faculty office hours.

27. *Student Aid Commission Adjustments*. Adjusts the 2020-21 California Student Aid Commission budget to reflect caseload adjustments.
28. *College Access Tax Credit Fund.* Increases the 2020 appropriation for the College Access Tax Credit by $760,000.

29. *Community College Deferred Maintenance*. Provides $511 million one-time Proposition 98 General Fund to support community college deferred maintenance projects.

30. *Community College Student Retention and Recruitment.* Provides $100 million one-time Proposition 98 General Fund to increase student retention and enrollment at community colleges.

31. *CCC Guided Pathways Program.* Provides $50 million one-time for the continued implementation of the CCC Guided Pathways program. Requires colleges to submit a plan outlining plans to implement guided pathways program, and integrate student success programs. Requires the Chancellor's Office to report on each colleges progress towards implement guided pathways activities and practices.

32. *CCC Basic Needs.* Provides $100 million one-time to address CCC student basic needs including food insecurity and to assist homeless and housing-insecure students in securing stable housing. The bill requires the Chancellors Office to report to the Legislature by January 1, 2025 on use of funds.

33. *CCC Equal Employment Opportunity*. Provides $20 million one-time to community college districts to support the implementation of best practices for success in promoting equal opportunity employment and faculty and staff diversity at the CCCs.

34. *CCC High Road Training Partnerships.* Provides $20 million for CCCs to establish and expand High Road Training Partnerships and High Road Construction Careers, as well as regional equity partnerships with local workforce development boards.

35. *CCC Faculty Professional Development.* Provides $20 million one-time to community college districts to support culturally competent professional development for CCC faculty.

36. *Community College LGBTQ+ Student Support.* Provides $10 million one-time Proposition 98 General Fund to support LGBTQ+ students at community colleges, including student centers, LGBTQ+ learning communities, curriculum development, and other activities.

37. *Various CCC Appropriations*. Provides $72.8 million Proposition 98 General Fund one-time for various CCC investments.

COMMENTS

This bill contains statutory provisions relating to higher education necessary to implement the 2021 budget package, as articulated in AB 128 (Ting, Chapter 21, Statutes of 2021), as amended by SB 129 (Skinner).

This bill omits language that was included in SB 132 regarding the UC outsourcing certification process.

According to the Author

Arguments in Support

Arguments in Opposition

FISCAL COMMENTS

This bill is a budget trailer bill within the overall 2021-22 budget package to implement actions related to higher education.

VOTES:

ASSEMBLY FLOOR: 56-18-5
YES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Bonta, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Cooley, Cooper, Daly, Friedman, Gabriel, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Lee, Levine, Low, Maienschein, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Petrie-Norris, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Stone, Ting, Villapudua, Ward, Wicks, Wood, Rendon
NO: Bigelow, Chen, Choi, Cunningham, Megan Dahle, Davies, Flora, Fong, Gallagher, Kiley, Lackey, Mathis, Nguyen, Patterson, Seyarto, Smith, Voepel, Waldron
ABS, ABST OR NV: Frazier, Kamlager, Mayes, Quirk, Valladares

UPDATED

VERSION: July 9, 2021

CONSULTANT: Mark Martin / BUDGET / (916) 319-2099 FN: