



TO: AGENCY SECRETARIES
DEPARTMENT HEADS
BOARDS AND COMMISSIONS

The *Supplemental Report of the 2020-21 Budget Act* contains statements of legislative intent that were adopted during deliberations on the 2020-21 budget package.

Please distribute your responses to the supplemental report, and any other report or document you are required to submit, to the Joint Legislative Budget Committee (JLBC), as follows:

One Hard Copy of the Report and Transmittal Letter to:

- Ms. Erika Contreras, Secretary of the Senate
State Capitol, Room 3044
Sacramento, CA 95814

An *Electronic* Copy of the Report and Transmittal Letter to *Each* of the Following:

- Joint Legislative Budget Committee: Hans.Hemann@sen.ca.gov
for distribution to the JLBC Members.
Hon. Holly J. Mitchell, Chair, Joint Legislative Budget Committee
1020 N Street, Room 553, Sacramento, CA 95814
- Legislative Analyst's Office: LAO.Secretary@lao.ca.gov
925 L Street, Suite 1000, Sacramento, CA 95814
- Office of the Chief Clerk of the Assembly:
Amy.Leach@asm.ca.gov, and Sue.Parker@asm.ca.gov
Ms. Sue Parker, Chief Clerk of the Assembly
Room 3196, State Capitol, Sacramento, CA 95814
- Legislative Counsel Bureau: agency.reports@lc.ca.gov
Office of Legislative Counsel
Indexing Division
925 L Street, Suite 1105, Sacramento, CA 95814-3703

In the report, as well as in your transmittal letter to Senator Mitchell, please *cite the 11-digit budget item number(s) and the budget year or other statutory reference* to which the response relates.

If you have any questions, you may contact the Legislative Analyst's Office at (916) 445-4656.

Supplemental Report of the 2020-21 Budget Act

Containing Statements of Intent
And Requests for Studies
Adopted by the Legislature



Compiled by the
LEGISLATIVE ANALYST'S OFFICE
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LEGISLATIVE, JUDICIAL, AND EXECUTIVE

Item 0250-101-0001—Judicial Branch

1. **Child Support Program Overview.** The Department of Child Support Services (DCSS) and Judicial Council, in collaboration with the Child Support Directors Association of California, shall provide updates to the Legislature on key components of California's child support program, program outcomes as it relates to the federal performance measures and DCSS state practice indicators, and overall experiences of parents and children served by the program. The updates shall include a discussion of qualitative information and, if collected and available given current resources, any quantitative data which shall be provided on a quarterly basis. The updates shall be in person if possible given state and Sacramento County specific public health guidelines and stay at home orders, unless otherwise agreed upon by the Legislature and Administration, and shall occur every three months beginning in August 2020 to July 2021 for a total of four meetings for the 12-month period starting August 2020. At the end of the reporting period, the frequency of the updates moving forward shall be decided between the Legislature, Judicial Council, DCSS, and the Child Support Directors Association together, which may result in a new iteration of this Supplemental Report Language. The agenda for each meeting shall be agreed upon by the Legislature, Judicial Council, DCSS, and the Child Support Directors Association prior to the meeting date. The updates shall include, but not be limited to, the following topics which can be spread across the four meetings:

- **Order Establishment Process.** A discussion on what factors local child support agencies (LCSAs) and courts use to determine the level of child support, including, but not limited to, providing information and data on zero orders, orders set under the guideline, orders established through stipulations versus default versus contested motions, orders established above or below the guideline amount, and orders established using actual income or presumed or imputed income. Additionally, a discussion of how often child support orders deviate from the guideline, as referenced above, and the major reason or reasons for deviation. A contested motion refers to any support order that is not stipulated or a default.
- **Order Modification Process.** A discussion and data, to the extent that data is obtainable given current resources, on how many modifications are established through stipulations versus default versus contested motions. For each of these categories, a discussion and data on how long it takes to review, file a motion for, and, if applicable, hear a request to modify a child support order. Additionally, a discussion and data on how many modified orders are set at zero orders, orders set under the guideline, orders established above or below the guideline amount, and orders established using presumed or imputed income. Additionally, a discussion on the major reasons for deviation.

- **Ability to Pay.** A discussion of how ability to pay is defined in child support and whether the guideline accurately captures the ability to pay for all obligors. If the guideline does not accurately capture an obligor’s ability to pay, a discussion of why that is the case, how LCSAs and courts currently address this, and possible solutions.
- **Financial Support for Children.** A discussion of the level of financial support needed for children, whether child support orders and payments align with the level of financial support needed for children, and how the disregard and recoupment rules affect the ability of child support payments to fully meet the financial needs of children. Information in this area may include data on what percentage and how many custodial parents request an increase in an order due to the current order’s inability to meet children’s needs.
- **Collections.** A discussion and data, to the extent that data is obtainable given current resources, by LCSAs on whether collection rates for current support and arrears vary by different types of child support orders, including stipulated orders versus default orders versus orders set by a contested motion, orders set under the guideline versus orders established above or below the guideline amount, and orders established using presumed or imputed income versus orders established using actual income. Additionally, a discussion and data on how average monthly child support payments and collection rates vary by obligors whose payments go to families versus obligors whose payments go to the government as public assistance recoupment.
- **Child Support Arrears.** A discussion of what arrears reduction assistance is available to obligors with state-owed and/or family-owed child support arrears, effectiveness of the state’s Compromise of Arrears Program, and the impact of the state’s interest rate on the accumulation of child support arrears and collection rates. Additionally, a discussion and data on how average arrears amounts vary by never assisted, currently assisted, and formerly assisted cases, and by arrears owed to the state versus arrears owed to the family.
- **Local Administrative Funding Update.** An update on program efficiencies and improvements the department is implementing and their impact on LCSA workload, collections, and families; how much LCSAs spend on indirect and overhead expenditures versus direct service expenditures; how LCSAs are spending additional funding provided under the *2019-20 Budget Act* and *2020-21 Budget Act*; and how DCSS plans to align all LCSA funding levels to reflect calculated funding needs. Updates on spending provided under the *2019-20 Budget Act* and *2020-21 Budget Act* would be contingent on the federal funding “trigger” provided in the *2020-21 Budget Act*. If federal funding is not provided, an update on how LCSAs are adapting to decreased funding levels, including the numbers and types of staff layoffs, and steps that LCSAs are taking to improve their efficiency. An update on how the metrics, outcomes, and processes above are impacted by the funding decreases.

- **Update on Implementation of Flexibility, Efficiency, and Modernization in Child Support Final Rule.** An update on the implementation of the Flexibility, Efficiency, and Modernization in Child Support Final Rule, including, but not limited to, case closure criteria, use of actual income of the obligor when setting support obligations rather than imputed or presumed income based on earning capacity, and modifying child support orders for incarcerated obligors.
- **Update on Recommendations From Quadrennial Review.** A summary of the findings and recommendations from the most recent quadrennial review; role of Judicial Council, LCSAs, and DCSS in implementing the recommendations; status of the current quadrennial review process; and expected involvement of stakeholders, including, but not limited to, families served by LCSAs, the Legislature, and local human services agencies.
- **Local Initiatives.** A discussion of past (over the past five fiscal years prior to 2020-21) and current child support-related initiatives and pilot programs implemented by LCSAs or local courts—including, but not limited to, custody and visitation orders, domestic violence screenings, and employment services referrals—and impact on collections, families and the well-being of children. This should also include a discussion of the benefits, costs, and considerations of making any successful local initiatives apply statewide.

Item 0511-001-0001—Government Operations Agency

1. **Interagency Data Exchange Agreement Repository.** The Legislature understands that the Chief Data Officer at the Government Operations Agency (GovOps), in consultation with the California Department of Technology, plans to develop a public repository of state government interagency data exchange agreements. To help the Legislature better understand how state government data is shared and used pursuant to these agreements, GovOps shall submit to the relevant budget and policy subcommittees of both houses and the Joint Legislative Budget Committee a report that contains a summary of the data use agreement and the following information for each business use case proposal in the repository:
 - (a) All entities (including nongovernmental entities) participating in the data exchange, including entities that the data has been shared with or disclosed to.
 - (b) The types of data exchanged, including whether the data has personally identifiable information.
 - (c) The sources of the data exchanged.
 - (d) The stated purpose of the agreement.
 - (e) Any data retention policies in the agreement.
 - (f) Measures taken to protect personally identifiable information from potential data breaches.

Item 0530-001-0001—Secretary for the California Health and Human Services Agency

1. ***CalHEERS’s Medi-Cal Eligibility Functionality.*** It is critical to the health and well-being of California’s communities for the Medi-Cal program to be accessible to individuals and families who need health coverage. A key component of the program’s success is efficient, effective county eligibility operations supported by comprehensive information technology. The Legislature is aware of issues raised during this budget cycle with the California Healthcare Eligibility, Enrollment, and Retention System’s (CalHEERS’s) Medi-Cal eligibility functionality. It is a legislative priority to ensure that these system issues are addressed in partnership with the counties and county staff who utilize the system.

In response to the issues raised, the Legislature understands that the Department of Health Care Services (DHCS) is developing a “dashboard” that will be used to enumerate CalHEERS issues related to Medi-Cal eligibility functionality, including, but not limited to, identified system defects, county- and worker-identified needs, and manual workarounds that county eligibility workers are performing. Subsequent activities to prioritize these issues and set time lines for addressing them will be undertaken in partnership with the CalHEERS Project Team and Covered California, and in collaboration with the County Welfare Directors Association, and the Services Employees International Union.

The Legislature requests that DHCS share at least a draft version of the dashboard with the Legislative Analyst’s Office (LAO), no later than October 1, 2020, and that it share any updates to the dashboard with the LAO through the end of 2020-21. The Legislature further asks that DHCS and the Office of Systems Integration be prepared to report during hearings on the 2021-22 budget on the status of the dashboard, the collaborative efforts described above, and any related CalHEERS activities to remedy the identified Medi-Cal eligibility-related system issues.

Subsequent to receiving the dashboard, and as updates are received, the LAO shall review the dashboard and gather information from the administration and stakeholders in order to provide an assessment of the following in its analysis of the Governor’s proposed 2021-22 budget:

- (a) Whether the dashboard comprehensively captures issues known to stakeholders and the administration that cause delays or errors in eligibility processing,
- (b) How the dashboard is being used as part of a process to set a time line for fixing the identified issues, and
- (c) Opportunities for legislative oversight.

HEALTH AND HUMAN SERVICES

Item 4260-001-0001—Department of Health Care Services

1. ***CalHEERS's Medi-Cal Eligibility Functionality.*** It is critical to the health and well-being of California's communities for the Medi-Cal program to be accessible to individuals and families who need health coverage. A key component of the program's success is efficient, effective county eligibility operations supported by comprehensive information technology. The Legislature is aware of issues raised during this budget cycle with the California Healthcare Eligibility, Enrollment, and Retention System's (CalHEERS's) Medi-Cal eligibility functionality. It is a legislative priority to ensure that these system issues are addressed in partnership with the counties and county staff who utilize the system.

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- (a) Whether the dashboard comprehensively captures issues known to stakeholders and the administration that cause delays or errors in eligibility processing,
- (b) How the dashboard is being used as part of a process to set a time line for fixing the identified issues, and
- (c) Opportunities for legislative oversight.

Item 4300-101-0001—Department of Developmental Services

1. ***Enhancing Federal Financial Participation for Consumers Served by the Department of Developmental Services (DDS).*** The Legislative Analyst's Office (LAO) shall evaluate the current processes for, and barriers associated with, enrolling DDS consumers in Medi-Cal and offer recommendations and options to address these barriers with the goal of increasing federal financial participation for regional center-coordinated services. The LAO shall consult with DDS, the Department of Health Care Services, the Department of Social Services, the County Welfare Directors' Association, the Association of Regional Center Agencies, and program stakeholders in conducting its evaluation. The LAO shall deliver a written report to the health and human services budget subcommittees and the health and human services policy committees of both houses of the Legislature no later than March 1, 2021. The evaluation may consider opportunities for streamlining the enrollment process and educating consumers and their families/representatives about Medi-Cal programs. The evaluation shall include an estimate of the potential General Fund savings resulting from increased federal financial participation, as well as the potential administrative costs and/or costs of Medi-Cal services that are not coordinated by regional centers.

Item 5175-101-0001—Department of Child Support Services

1. ***Child Support Program Overview.*** The Department of Child Support Services (DCSS) and Judicial Council, in collaboration with the Child Support Directors Association of California, shall provide updates to the Legislature on key components of California's child support program, program outcomes as it relates to the federal performance measures and DCSS state practice indicators, and overall experiences of parents and children served by the program. The updates shall include a discussion of qualitative information and, if collected and available given current resources, any quantitative data which shall be provided on a quarterly basis. The updates shall be in person if possible given state and Sacramento County specific public health guidelines and stay at home orders, unless otherwise agreed upon by the Legislature and Administration, and shall occur every three months beginning in August 2020 to July 2021 for a total of four meetings for the 12-month period starting August 2020. At the end of the reporting period, the frequency of the updates moving forward shall be decided between the Legislature, Judicial Council, DCSS, and the Child Support Directors Association together, which may result in a new iteration of this Supplemental Report Language. The agenda for each meeting shall be agreed upon by the Legislature, Judicial Council, DCSS, and the Child Support Directors Association prior to the meeting date. The updates shall include, but not be limited to, the following topics which can be spread across the four meetings:
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guideline amount, and orders established using actual income or presumed or imputed income. Additionally, a discussion of how often child support orders deviate from the guideline, as referenced above, and the major reason or reasons for deviation. A contested motion refers to any support order that is not stipulated or a default.

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CORRECTIONS AND REHABILITATION

Item 5225-001-0001—California Department of Corrections and Rehabilitation

1. ***Prison Infrastructure Improvement Strategy.*** On or before January 10, 2022, the department shall submit to the budget committees of each house and the Legislative Analyst's Office a report containing an assessment of all special repair/deferred maintenance projects estimated to cost over \$5 million and all major capital outlay projects that are likely to be needed over the next ten years or more. The report may include, but not be limited to, such projects identified in the California Department of Corrections and Rehabilitation's (CDCR) Master Plan, the Twelve Prison Study, and the state's most recently published Five-Year Infrastructure Plan.
 - (a) CDCR may exclude from the assessment those projects that were funded for construction in the 2020-21 fiscal year or prior.
 - (b) All identified projects shall be ranked by priority and categorized into the following:
 - (i) Immediate: Projects specifically required by court order and projects related to fire/life/safety that are needed to remedy conditions that pose an extraordinary immediate risk to inmates and staff.
 - (ii) Critical: Any remaining court order-related projects and projects focused on gaining departmental efficiencies and reducing ongoing state costs.
 - (iii) High: Projects focused on inmate rehabilitation and projects related to fire/life/safety that are needed to remedy conditions that pose a substantial risk to inmates and staff.
 - (iv) Low: Projects related to department-driven needs.
 - (c) In identifying and prioritizing the projects, the department shall consider the following criteria. The report shall include an explanation of how the department weighed these criteria in determining the overall project ranking:
 - (i) Criteria and prioritization methodology established by CDCR that incorporates its standard mission goals, strategic plan, and infrastructure plan goals.
 - (ii) Current population and most recent population projections.
 - (iii) The level of seismic risk, environmental hazards, and other critical health and safety hazards.
 - (iv) The cost avoidance or savings that would be achieved due to the project through operational or organizational efficiencies created for the department and thus the state.

- (v) Consideration of alternatives to repairing existing facilities, including, but not limited to, redesigning, relocating, or consolidating facilities to achieve lower operational costs and/or to better meet inmate needs as well as rebuilding facilities in locations that enhance the department's operations (such as by improving recruiting).
 - (vi) Consideration of how to prevent unnecessary costs by avoiding making modifications to a facility that is then subsequently rebuilt or renovated.
 - (vii) Consideration of whether project costs could be reduced by completing all projects at the same prison at once.
 - (viii) Ensure that projects at prisons that may be closed in the foreseeable future are only included in the list if they are needed to keep the prison operational until it is closed.
 - (ix) Consideration of the actual useful life of existing infrastructure, not only whether it has exceeded its expected useful life when determining whether to repair or replace it.
- (d) The department shall note whether listed projects would be funded as part of its support budget (including special repair and deferred maintenance) or would be capital outlay projects.

EDUCATION

Item 6100-161-0001—California Department of Education

1. ***Special Education Out-of-Home Care Program.*** The Legislative Analyst’s Office shall convene a working group to examine the Out-of-Home Care program and funding authorized by Section 56836.165 of the Education Code, and shall make recommendations for improvements to the program by March 1, 2021. The working group shall include representatives from the appropriate fiscal subcommittees and policy committees of the Legislature, the Department of Finance, the California Department of Education, the California Department of Social Services, and the California Department of Developmental Services.

GOVERNMENT OPERATIONS

Item 7760-001-0666—Department of General Services

1. *Department of General Services: California Statewide Pharmaceutical Program.*

No later than February 1, 2021, and annually thereafter until February 1, 2024, the Department of General Services shall submit to the budget committees of both houses and the Legislative Analyst's Office reports on the California Statewide Pharmaceutical Program (SPP). Each report shall include the following information covering the prior calendar year: (1) the name of each of the pharmaceuticals procured through the SPP and the pharmaceutical's main therapeutic effects; (2) the name of each jurisdiction or other entity, as relevant, that received pharmaceuticals through the SPP; (3) an estimate of the total dollar value of the pharmaceuticals procured through the SPP; and (4) an estimate of the amount of savings achieved through pharmaceutical purchases made through the SPP.