



TO: AGENCY SECRETARIES
DEPARTMENT HEADS
BOARDS AND COMMISSIONS

The *Supplemental Report of the 2022-23 Budget Act* contains statements of legislative intent that were adopted during deliberations on the 2022-23 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. Nancy Skinner, Chair, Joint Legislative Budget Committee
1020 N Street, Room 553, Sacramento, CA 95814
- Legislative Analyst's Office: LAO.Secretary@lao.ca.gov
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- Office of the Chief Clerk of the Assembly:
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Room 3196, State Capitol, Sacramento, CA 95814
- Legislative Counsel Bureau: agency.reports@lc.ca.gov
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925 L Street, Suite 1105, Sacramento, CA 95814-3703

In the report, as well as in your transmittal letter to Senator Skinner, 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 2022-23 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 0521-001-0042—California State Transportation Agency

1. **California State Transportation Agency (CalSTA) Operational Needs.** On or before January 1, 2025, CalSTA shall submit to the relevant budget subcommittees of each house and the Legislative Analyst's Office a report on its efforts to coordinate statewide freight policy. The intent of this report is to provide the Legislature a clear understanding of the activities and accomplishments of CalSTA's Freight Policy Team and how they differ from those of other state departments, such as the Governor's Office of Business and Economic Development (GO-Biz). This report shall include, but not be limited to:
 - Information about the specific activities undertaken by the Freight Policy Team. This shall include detailed descriptions of (1) the activities the Freight Policy Team has conducted to coordinate freight policy across state government, such as GO-Biz, the California Air Resources Board, and the California Department of Transportation, and (2) the Freight Policy Team's outreach efforts to stakeholders from federal, state, and local governments; the private sector; nongovernmental organizations; and academia. This report shall also include descriptions of how the activities undertaken by the Freight Policy Team differ from the activities of these other state agencies.
 - Identification of the specific, measurable outcomes achieved by the Freight Policy Team during the funding period.

Item 0840-001-0001—State Controller

1. **Year-End Close Fiscal Reporting.** The State Controller's Office will report to the budget committees of each house of the Legislature on March 1, 2023 the department name, fund name, and closure date on any funds not closed out for the 2021-22 fiscal year by November 1, 2022. It is the intent of the Legislature to review this list and require departments with profound, chronic, or unexplained delinquency in reporting to testify to the budget committees about the path toward correcting this deficiency.

TRANSPORTATION

Item 2720-001-0001 – California Highway Patrol

1. **Highway Violence Task Force.** The California Highway Patrol shall report to the relevant budget subcommittees by January 1, 2025 on the numbers, types, and locations of highway violence incidents, the associated factors in these incidents, as well as the outcomes of the investigatory resources (such as the number of arrests, training provided, and the benefits and lessons learned from the deployment of the requested software and equipment).

HEALTH AND HUMAN SERVICES

Item 4265-001-0080—Department of Public Health

1. ***Childhood Lead Poisoning Prevention (CLPP) Program.*** On or before January 1, 2023, the California Department of Public Health (CDPH) shall submit a report on the CLPP Program to the fiscal, budget, and relevant policy committees of the Legislature and the Legislative Analyst’s Office and post this report on its website. The report shall focus primarily on fiscal aspects of the CLPP Program to help the Legislature ascertain whether (1) funding levels for the program are adequate to fully meet the program’s statutory responsibilities in respect to protecting children and (2) state and local programs have adequate workforce and technical capacity to effectively implement program requirements. The report shall include, but not be limited to, the following information:
 - (a) How CDPH assesses state-funded program costs for the CDPH’s CLPP Branch and local contracted CLPP programs that collectively administer the CLPP Program. This description shall include, but not be limited to, information about:
 - (i) How CDPH determines the scope of the CLPP Program and which specific state and local costs are included in the assessment of total program cost.
 - (ii) How CDPH uses this assessment to determine CLPP fee levels.
 - (iii) How CDPH factors in costs to serve all children eligible for either basic case management or full case management.
 - (iv) How the scope and cost of prevention, outreach, and education activities are determined and factored into total program cost.
 - (v) How CDPH determines the scope of environmental services (including environmental investigation and assistance with lead remediation) provided by the state-run program and by local contracted programs, how it determines which homes/sites will receive environmental services, how it assesses the costs of these services, and which specific costs are included.
 - (vi) How CDPH determines the total amount of funding it will provide to local contracted CLPP programs, including how CDPH collects, assesses, and incorporates information from local contracted CLPP programs about their costs and which specific local costs are covered and not covered by local contracts with CDPH.
 - (vii) How CDPH factors in information technology (IT) costs and what effect, if any, this has on other programmatic funding.
 - (viii) Whether the CLLP Branch or local contracted CLPP programs have any workforce shortages, and if so, to what degree and in which positions.
 - (b) Information from non-contracted local health jurisdictions to understand why they opt to have the state CLPP Branch run programs in their areas.
 - (c) Information about the scope of environmental remediation services going forward, including prospects for continuing to receive federal grant funding for this purpose and data on the proportion of homes/sites that state and local CLPP programs typically serve out of the total number of homes/sites that need remediation.

- (d) Whether the program has sufficient funding to support all eligible children and how CDPH addresses funding shortfalls when they are identified.
- (e) An assessment of whether the CLPP fee is a sustainable source of funding going forward and how relying exclusively on this funding source specifically affects the scope of the program.
- (f) Information about appropriations and expenditures to date for the Surveillance, Health, Intervention, and Environmental Lead Database IT project; a narrative explanation about what drives the project's costs and why other states' similar systems are much less costly; and a description of CDPH's plan to finish the project, including, if available, any rough estimates of total cost and timing.
- (g) For each of the three previous fiscal years, statistics on children served, which should include, but not be limited to:
 - (i) Number of the children provided full case management and their blood lead levels: (1) statewide, (2) by local health jurisdiction, and (3) by demographic group.
 - (ii) Number of the children provided basic case management and their blood lead levels: (1) statewide, (2) by local health jurisdiction, and (3) by demographic group.
 - (iii) Number of children with blood lead levels below ten micrograms per deciliter (mcg/dL) who receive full case management, noting in which local health jurisdictions the children live.
 - (iv) Which local health jurisdictions provide full case management to children with blood lead levels below ten mcg/dL and how many of the affected children are receiving the services.
 - (v) Number of children with elevated blood lead levels (above 3.5 mcg/dL) who are not receiving any services: (1) statewide, (2) by local health jurisdiction, and (3) by demographic group.

Items 4300-001-0001, 4300-101-0001—Department of Developmental Services

1. ***Service Access and Equity Grants.*** Beginning January 10, 2023, the Department of Developmental Services (DDS) shall provide annual written updates to the budget, policy, and leadership staff of each house and the Legislative Analyst's Office on Service Access and Equity Grant awards. Updates shall also be presented verbally, as necessary, at the quarterly meetings with legislative staff that occur pursuant to current law and include regional center representatives. The updates shall include: (1) the number of grant applications received by the Department; (2) the number and nature of approved grants, both statewide and by regional center; (3) the awarded grant levels; (4) the number of disapproved grants and the reason for disapproval, both statewide and by regional center; and (5) the geographic distribution of awarded grants.

The department shall provide an update, as part of the 2023 May Revision, on the findings and recommendations of the evaluation required in Welfare and Institutions Code section 4519.5 of the efforts to promote equity and reduce disparities.

SUPPLEMENTAL REPORT OF THE 2022-23 BUDGET ACT

Beginning with the 2023-24 fiscal year, and the update that is made by January 10, 2024, DDS shall provide updates on how it will continue to assess outcomes of the funded grants and the impact that funded programs have on the efforts to promote equity and reduce disparities in the DDS system.

Items 5180-001-0001 and 5180-151-0001/0890—Department of Social Services

1. *Federal Family First Prevention Services Act (FFPSA) Implementation Monitoring, Reporting, and Outcomes Tracking.*

FFPSA Part IV Congregate Care Requirements. On or before February 1, 2023 and every six months thereafter until after October 1, 2027, the Department of Social Services (DSS) in coordination with the Department of Health Care Services (DHCS)—and with input from the County Welfare Directors Association, Chief Probation Officers of California, County Behavioral Health Directors Association, County Mental Health Plans, tribes, Short-Term Residential Therapeutic Programs, wraparound service providers, the Judicial Council, individuals with lived experience, advocates, and other stakeholders where appropriate—shall provide written updates to the budget, policy, and leadership staff of each house and the Legislative Analyst’s Office regarding various elements of implementing congregate care requirements imposed by Part IV of the federal Family First Prevention Services Act. Presentation of the updates may occur in the quarterly meetings as required by current law for the Continuum of Care Reform (CCR) effort. Components of the written updates shall include, to the extent reasonably possible and if the necessary information is provided to DSS by its state, county, and provider partners, the following:

Qualified Individuals. An update on qualified individual assessments of congregate care placements pursuant to the Welfare and Institutions Code (WIC) Section 4096(g). The update should include any evaluations of qualified individual assessment data made by DSS if and when such data is obtained by DSS, and updates about any challenges, as reported to DSS or DHCS, counties face around implementing qualified individual requirements—as well as technical assistance DSS and DHCS are providing to overcome those challenges.

Nursing Services. An update on the nursing resources established pursuant to WIC Section 4096.55, including the number of calls handled each month and any other shareable data obtained through the state contract that provides access to nursing resources 24 hours a day 7 days a week as required by WIC Section 4096.55(b)(1). The update should include information regarding any challenges around implementing the requirements that STRTPs have reported to DSS or DHCS—as well as technical assistance DSS and DHCS are providing to overcome those challenges.

Aftercare. An update on any challenges providers, county placing agencies, and Mental Health Plans report to DSS or DHCS regarding providing, arranging for, or ensuring the provision of at least six months of post-discharge aftercare services to youth discharged from a placement in an STRTP to a family-based setting, pursuant to WIC Section 4096.6. Until a permanent model for aftercare is developed, the update should include a qualitative description of the type and models of aftercare being provided, as reported to DSS and DHCS pursuant to WIC Section 4096.6(d). The update also should describe progress developing and implementing the California high-fidelity wraparound model.

Court Review and Case Plan Requirements. An update on implementation of new case plan documentation and court reports and court review requirements. The update should include any challenges around implementing the requirements—along with an overview of any technical assistance DSS and Judicial Council are providing to overcome those challenges.

Tracking Otherwise Federally Eligible Placements. An update on otherwise federally eligible youth who are placed in residential facilities that do not meet qualified residential treatment program (QRTP) criteria, or youth for whom the requirements for placement into an QRTP are not met. The update should include information such as how many otherwise federally eligible youths fall into these categories, and a summary of the reasons why criteria for federal financial participation are not met.

FFPSA Part I and Comprehensive Prevention Services. On or before February 1, 2023 and every six months thereafter until after October 1, 2027, the Department of Social Services—with input from the County Welfare Directors Association, Chief Probation Officers of California, tribes, and community stakeholders—shall provide written updates to the budget, policy, and leadership staff of each house and the Legislative Analyst’s Office regarding the status of implementing the Family First Prevention Services Program (the state’s prevention program), including services eligible for Title IV-E matching funds pursuant to Part I of the federal Family First Prevention Services Act. Information necessary for the updates may be obtained through county comprehensive plans and established processes within the continuous quality improvement framework as outlined in WIC Section 16587. Presentation of the updates may occur in the quarterly meetings as required by current law for the CCR effort. Components of the written updates shall include, to the extent reasonably possible and if the information is provided to DSS by its state, county, tribes, and provider partners, the following:

Preparedness and Planning. An update on which counties express intent to opt into the Family First Prevention Services Program and those counties’ progress completing optional capacity and readiness assessments, as well as required asset mapping and needs assessments for the selection of prevention strategies and evidence-based practices, as described by the CDSS All County Letter 22-23. In particular, an update on how counties are engaging and collaborating with tribes, individuals and families with lived experience, historically underserved communities and specifically inclusive of engaging families of color and tribes that are disproportionately represented in the child welfare system, and other stakeholders as described in WIC 16587 and in the state’s Five-Year Title IV-E Prevention Plan.

State Plan and Local Comprehensive Prevention Plans. An update on the state’s Five-Year Title IV-E Prevention Plan as well as on the counties’ comprehensive prevention plans as outlined in WIC Sections 16585 through 16589. Information should include the prevention services eligible for Title IV-E matching funds included in the state plan; updates on stakeholder, interagency collaboration, and tribal engagement and feedback regarding the state plan; and the types of primary, secondary, and tertiary prevention services that counties include in their comprehensive prevention plans.

Culturally Responsive Services. An update on the specific interventions and strategies counties include in their comprehensive prevention plans that are culturally appropriate and responsive and tailored to meet the needs of local families who are disproportionately represented in the child welfare system including Native American and Alaskan Native families, families of color, and lesbian, gay, bisexual, transgender, queer/plus, children or youth as per the requirements set forth in WIC Section 16588(c)(2).

Federally Required Data Collection and Reporting. An update on the progress toward developing and implementing the necessary capacities within the Child Welfare Services’ California Response and Engagement System (CWS-CARES), which DSS expects will be

utilized as the statewide automation system to collect required data for federal reporting under the Title IV-E prevention program. The update also should include information on any work arounds the counties are implementing before the capacity is built in CWS-CARES, and when the functionality is expected to be built into CWS-CARES.

Once these capacities have been implemented, written updates to the Legislature also shall include a summary of the federally required data, including: basic demographic information for children and families served; whether children and families access services through the county, tribal, or community pathway (as described in the state's Five-Year Title IV-E Prevention Plan); most common types of services provided to children/families; average expenditures for the various services provided; average duration of services; system involvement including placement status following the receipt of services; and the extent to which the provision of services reduces the likelihood of foster care placement, increases the use of kinship care arrangements, and improves child well-being.

Placements With Parents in Licensed Treatment Facilities. An update on the extent to which counties are exercising the federal option for providing Title IV-E eligible foster care maintenance payments for children who are placed with a parent in a licensed residential family based substance abuse treatment facility under a Voluntary Placement Agreement, as described in WIC Section 11402(m).

Tracking Efforts to Reduce Disparities. An update on any departmental efforts to establish measurable indicators and specific targets and timelines for reducing disparities in the child welfare system, as reducing disparities is a goal referenced in the state's Five-Year Title IV-E Prevention Plan. This update also should include progress on efforts referenced in the state's Five-Year Title IV-E Prevention Plan to increase and expand relevant trainings, such as cultural humility and implicit bias trainings, within county child welfare agencies and probation departments to reduce racial biases.

GOVERNMENT OPERATIONS

Item 7502-001-0001—Department of Technology

1. ***Nonreporting Entities' Information Security (IS) Compliance.*** On or before November 18, 2022, the Legislative Analyst's Office (LAO) shall submit a report to the relevant budget subcommittees and policy committees of each house of the Legislature on the IS compliance of nonreporting entities—that is, those entities that fall outside of the Governor's direct authority and are not required by state law to comply with and report on IS policies and procedures set by the California Department of Technology (CDT). The report shall, at a minimum:
 - (a) Identify each of the nonreporting entities.
 - (b) Consider whether some nonreporting entities could benefit from compliance with and reporting on IS policies and procedures similar to those set by CDT based on, but not limited to, nonreporting entities':
 - (i) Current role and criticality of functions within California state government.
 - (ii) Current IS practices and procedures.
 - (iii) Types and use of external oversight mechanisms (such as compliance audits and technical security assessments).
 - (iv) Identified IS weaknesses and plans for remediation.
 - (c) Provide options for the Legislature to consider to improve nonreporting entities' IS compliance so as to be at least comparable to reporting entities and to achieve a maturity level that reflects the development and implementation of foundational IS program practices and procedures.

Any confidential information collected from nonreporting entities and used by the LAO to prepare this report shall remain confidential in conformance with state law.

Item 7730-001-0001—Franchise Tax Board

1. ***Estimated Payment Dates.*** On or before March 1, 2023, the Legislative Analyst's Office shall report to legislative budget and revenue and taxation committees on the fiscal impacts and state administrative costs of changing personal and corporate income tax estimated payment amounts to 25 percent per quarter beginning in tax year 2024, thereby returning to the estimated tax payment policy in place prior to the Great Recession.

GENERAL GOVERNMENT

Item 8860-001-3342—Department of Finance

1. ***Cannabis Tax Fund Transparency.*** By March 1, 2023, and on the same date until 2025, the Department of Finance (DOF) shall submit a report to the Legislative Analyst’s Office, relevant policy committees, and the relevant budget committees of each house of the Legislature with the following information:
 - (a) The amount of funds from the Cannabis Tax Fund allocated in the prior year, past year, and current year to each of the departments and agencies identified in Section 34019 of the Revenue and Taxation Code.
 - (b) The actual expenditures of funds from the Cannabis Tax Fund that were allocated in the prior year and past year to each of the departments and agencies identified in Section 34019, and presented by uses pursuant to subdivisions (a), (b), (c) (d), and (f) of Section 34019.
 - (c) The total remaining balance from across fiscal years that each department and agency identified in Section 34019 has available for carryover from the Cannabis Tax Fund.

For purposes of providing the actual expenditures of funds provided to departments and agencies pursuant to subdivision (a) of Section 34019 and the remaining balances, the expenditure information shall be presented distinctly from other Cannabis Tax Fund revenues that the departments and agencies may receive from subdivisions (b), (c), (d), (e), and (f) of Section 34019.

In order to submit the report described above, DOF shall coordinate and include the following:

- (a) Information provided by the Department of Health Care Services, including:
 - (i) The total amount deposited into the Youth Education, Prevention, Early Intervention and Treatment Account in the prior year and past year.
 - (ii) The actual expenditures from the prior year and past year from the Youth Education, Prevention, Early Intervention and Treatment Account, categorized by program, including any subgrants, and the number of actual childcare slots funded.
 - (iii) Any remaining balance received from the Youth Education, Prevention, Early Intervention and Treatment Account across fiscal years.
 - (iv) Any evaluations conducted by the departments pursuant to subparagraph (L) of paragraph (1) of subdivision (f) of Section 34019.
- (b) Information provided by the Secretary of the Natural Resources Agency, including:
 - (i) The total amount deposited into the Environmental Restoration and Protection Account in the prior year and past year.
 - (ii) The actual expenditures from the prior year and past year from the Environmental Restoration and Protection Account, including any subgrants. This information shall include: the funds appropriated to and actual expenditures from the Cannabis Restoration Grant Program for cleanup, remediation, or restoration of environmental damage affected by cannabis cultivation and related activities pursuant to subparagraph (A) of paragraph (2) of subdivision (f) of Section 34019;

the funds appropriated to and actual expenditures for stewardship of state-owned wildlife habitat areas and state park units associated with each site pursuant to subparagraph (B) of paragraph (2) of subdivision (f) of Section 34019; the actual expenditures of the Department of Fish and Wildlife from the Environmental Restoration and Protection Account, categorized by a list of the type of the department's expenditures pursuant to subparagraph (A, B, and C) of paragraph (2) of subdivision (f) of Section 34019; and any remaining balances of funds received from the Environmental Restoration and Protection Account across fiscal years.

- (c) Information provided by the California Highway Patrol, including:
 - (i) The actual expenditures from the prior year and past year categorized by program from the State and Local Government Law Enforcement Account, including any subgrants.
 - (ii) Any remaining balances of funds received from the State and Local Government Law Enforcement Account across fiscal years.
- (d) Information provided by the Board of State and Community Corrections, including:
 - (i) The actual expenditures from the prior year and past year categorized by program from the State and Local Government Law Enforcement Account, including any subgrants.
 - (ii) Any remaining balances of funds received from the State and Local Government Law Enforcement Account the across fiscal years.

DOF may provide estimates of this information if the Legislature requests this report at a date earlier than specified above.