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CALIFORNIA LEGISLATURE

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January 9, 2025

Mr. Joe Stephenshaw, Director
Department of Finance
1021 O Street, Suite 3110
Sacramento, California 95814

Dear Mr. Stephenshaw:

In a letter dated December 23, 2024, you notified the Joint Legislative Budget Committee, pursuant to Control Section 11.95 in the *Budget Act of 2024*, of adjustments to the Home- and Community-Based Services (HCBS) Spending Plan.

In 2021, the federal government provided California with additional funding for investments in programs that serve the state's most vulnerable populations, including those who are aging, disabled, homeless, or have severe behavioral health needs. To draw down the funds, the state submitted an expenditure plan, adopted as part of the *Budget Act of 2021*, to the Centers for Medicare and Medicaid Services for program enhancements that totaled \$4.7 billion and complied with the federal government's spending deadline of January 31, 2025. Since then, as authorized by Section 11.95, the Administration has notified the Legislature of various adjustments to the original allocations. The proposed final revisions to the HCBS Spending Plan will ensure the state liquidates all of the funding by the end of the month.

One notable change is the increased expenditures for the In-Home Supportive Services (IHSS) Career Pathways Proposal. The December 23rd notification includes a proposal to cover a portion of these increased expenditures. The Department of Social Services has indicated they are still reconciling all of the expenditures for that program and will be submitting a proposal to the Legislature to address any outstanding claims at a later date. I respectfully request the Department of Finance (DOF) provide the final reconciliation and the plan to fully address the program overage by April 1st—or 30 days after the reconciliation is complete— whichever is sooner.

With the understanding that DOF will provide the Legislature a plan to address any outstanding claims for the IHSS Career Pathways, I concur with the changes. In addition, I approve your request to waive

Mr. Joe Stephenshaw

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January 21, 2025

the remainder of the 30-day review period, in order to close out spending by the January 31, 2025 deadline.

Sincerely,

A handwritten signature in black ink that reads "Scott Wiener". The signature is written in a cursive, slightly slanted style.

Scott Wiener
Chair

cc: Members of the Joint Legislative Budget Committee