

CHAIR
SCOTT WIENER

SENATE

BENJAMIN ALLEN
CHRISTOPHER CABALDON
JOHN LAIRD
ROGER W. NIELLO
ROSILICIE OCHOA BOGH
LAURA RICHARDSON
Dr. AKILAH WEBER PIERSON

Joint Legislative Budget Committee

CALIFORNIA LEGISLATURE

LEGISLATIVE ANALYST
GABRIEL PETEK

VICE CHAIR
JESSE GABRIEL

ASSEMBLY

DAWN ADDIS
DAVID ALVAREZ
STEVE BENNETT
HEATH FLORA
Dr. COREY A. JACKSON
JOE PATTERSON
SHARON QUIRK-SILVA

March 17, 2025

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

Dear Mr. Stephenshaw:

In a letter dated March 10, 2025, you notified the Joint Legislative Budget Committee (JLBC), pursuant to Control Section 11.95 in the *Budget Act of 2024*, of adjustments to the Home- and Community-Based Services (HCBS) Spending Plan. You also requested JLBC waive the 30-day review period.

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. Since then, as authorized by Section 11.95, the Administration has notified the Legislature of various adjustments to the original allocations.

Your latest letter provides the final reconciliation of funds that went unclaimed by local partners and were unspent by state departments. The Administration has assured my staff that there are no outstanding reimbursements or invoices from local providers. In total, \$37,377,000 is available to offset other HCBS expenditures. Specifically, the funds will be used to offset increased enrollment and expenditures for the Department of Social Services' IHSS Career Pathways program that totaled \$61.4 million more than what is currently budgeted. This will leave approximately \$24 million in expenditures that must be appropriated by the Legislature in a future action. The proposed revisions will ensure the state spends all of the HCBS funds and complies the federal expenditure deadline.

Mr. Joe Stephenshaw

2

March 17, 2025

In conclusion, I concur with the proposed adjustments and approve your request to waive the remainder of the 30-day review period, in order to close out spending by the federal government's March 31, 2025 deadline.

Sincerely,

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

Scott Wiener
Chair

cc: Members of the Joint Legislative Budget Committee