



June 2, 2021

Honorable Nancy Skinner, Chair
Joint Legislative Budget Committee
Senate Budget and Fiscal Review Committee

Honorable Phil Ting, Chair
Assembly Budget Committee

Honorable Anthony Portantino, Chair
Senate Appropriations Committee

Honorable Lorena Gonzalez, Chair
Assembly Appropriations Committee

Section 28.00—Department of Veterans Affairs, United States Veterans Administration Grant

Pursuant to the provisions of Section 28.00, 2020 Budget Act, the following report is respectfully submitted.

The Department of Finance has received the attached Section 28.00 application from the Department of Veterans Affairs (CalVet) to increase Federal Trust Fund authority to accept a federal grant from the United States Department of Veterans Affairs. The grant provides funding for COVID-19 infection control efforts within CalVet Veterans Homes, including conducting testing and acquiring personal protective equipment. The total amount of the grant is \$9,725,000, of which \$2 million is expected to be expended in fiscal year 2020-21 and \$7,725,000 is expected to be expended in 2021-22. As such, the attached Section 28.00 application requests an increase in Federal Trust Fund authority of \$2 million in 2020-21 and the May Revision includes a one-time increase in Federal Trust Fund authority of \$7,725,000 in 2021-22.

CalVet received official notification of the availability of additional, unanticipated funds on March 18, 2021 and notified Finance within 45 days of this date.

This request meets the following criteria, as required in subdivision (b) of Section 28.00:

- The funds will be expended for COVID-19 prevention and mitigation efforts which is consistent with state law.
- The funds are made available to the state under conditions permitting their use only for the specified purpose, and the additional expenditure proposed would apply to this specified funding purpose.
- Acceptance of the additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year to respond to the COVID-19 Pandemic, including conducting testing and acquiring personal protection equipment.

We concur with the necessity of this change to the approved budget and will be approving the Section 28.00 application not sooner than 30 days from the above date.

If you have any questions or need additional information regarding this matter, please call Tim Weber, Principal Program Budget Analyst, at (916) 445-8913.

KEELY MARTIN BOSLER

Director

By:



ERIKA LI

Chief Deputy Director

Attachment


cc: Honorable Wendy Carrillo, Chair, Assembly Budget Subcommittee No. 4
Honorable Anna M. Caballero, Chair, Senate Budget and Fiscal Review
Subcommittee No. 4
Honorable Jim Nielsen, Vice Chair, Senate Budget and Fiscal Review Committee
Honorable Vince Fong, Vice Chair, Assembly Budget Committee
Gabriel Petek, Legislative Analyst (3)
Joe Stephenshaw, Staff Director, Senate Budget and Fiscal Review Committee
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Senate President pro Tempore's Office (2)
Christian Griffith, Chief Consultant, Assembly Budget Committee
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy
and Budget
Paul Dress, Caucus Co-Chief of Staff, Assembly Republican Leader's Office
Luigi Luciano, Legislative Director, Assembly Republican Leader's Office
Jason Sisney, Assembly Speaker's Office (2)
Mark McKenzie, Staff Director, Senate Appropriations Committee
Jay Dickenson, Chief Consultant, Assembly Appropriations Committee
Dr. Vito Imbasciani, Secretary, Department of Veterans Affairs
Patty Ingram, Assistant Deputy Secretary, Budget Operations Department of
Veterans Affairs

DEPARTMENT OF VETERANS AFFAIRS

1227 O Street
Sacramento, California 95814
Telephone: (800) 952-5626
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**Memorandum**

To: Phil Osborn
Finance Budget Analyst

From: Patty Ingram 
Budget Officer

Date: May 5, 2021

Subject: Section 28.00 Application

Attached for review and approval is a Section 28.00 Application for the California Department of Veterans Affairs (CalVet) to accept \$2,000,000 from the United States Department of Veterans Affairs through the Consolidated Appropriations Act, 2021 (Public Law 116-260) for State Veterans Homes. The funding will be used to support CalVet's efforts to prevent, prepare for, and respond to COVID-19.

If you have any questions regarding the attached or need any further information, please do not hesitate to contact me.

Please report dollars in thousands.

DEPARTMENT California Department of Veterans Affairs	ITEM NO./ FISCAL YEAR 8955-001-0890 2020-21	NOTIFICATION LETTER TO LEGISLATURE: <input type="checkbox"/> 30-DAY NOTICE <input checked="" type="checkbox"/> REQUEST WAIVER OF 30-DAY NOTICE
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PROGRAM TITLE PER GOVERNOR'S BUDGET:

Care of Sick/Disabled Veterans

FUNDING (SPECIFY FUND)	CURRENTLY BUDGETED	REQUESTED CHANGE (+) OR (-)	TOTAL
Federal Trust Fund	2,650	+2,000	4,650

(Check appropriate boxes)

- The funds will be expended for a purpose that is consistent with state law (explain use of funds in Part A below).
- The funds are made available to the state under conditions permitting their use only for a specified purpose, and the additional expenditure proposed under this section would apply to that specified funding purpose (as supported by explanation for the purpose of the funds).
- Acceptance of additional funding does not impose on the state any requirement to commit or expend new state funds for any program or purpose.
- The need exists to expend the additional funding during the current fiscal year (explain in Part B below).
- This application is provided to Finance within 45-days of official notice of receipt of funds.
- Explanation of delayed notification to Finance is attached (required if 45-day notification period is exceeded).
- A copy of the official notice of fund availability is attached to this application.
- One-time expenditure.
- Ongoing commitment from this source (if checked, explain under Program Proposal).
- Matching funds required (if checked, explain under Program Proposal).
- Expenditure either supplements or supplants an existing state-funded program (if checked, explain under Program Proposal).

PART A: For what purpose will the funds be expended?

The funding will be used to support the California Department of Veterans Affairs' (CalVet) COVID-19 infection control efforts, including conducting appropriate testing, acquiring necessary personal protective equipment (PPE), supplies, and equipment, investing in staff, and COVID-19 isolation facilities in the CalVet Veterans Homes.

PART B: Explain the need to expend the funds in the current fiscal year, including the consequence of waiting until budget year to expend the funds:

See attached.

PROGRAM PROPOSAL (Attach additional information as necessary)**TITLE:****CONSOLIDATED APPROPRIATIONS ACT,
2021 (PL 116-260)****STATUTORY AUTHORITY:** (state, federal, as appropriate)

Budget Act of 2020, Sec. 28.00

DESCRIPTION:

The Consolidated Appropriations Act, 2021 (Public Law 116-260) provides funding to support state veterans homes COVID-19 efforts. The funds will be used to support the COVID-19 infection control efforts, including conducting appropriate testing, acquiring necessary personal protective equipment (PPE), supplies, and equipment, investing in staff, and establishing COVID-19 isolation facilities in the CalVet Veterans Homes.

JUSTIFICATION:

Acceptance of the USDVA funding is needed to ensure that the CalVet Veterans Homes will have additional funding available for continuing their efforts prevent, prepare for, and respond to the coronavirus and keep residents safe. The cost of required overtime, PPE, and infection control measures is beyond the pre-pandemic costs. This funding will provide CalVet with the ability to continue to purchase the goods and services needed to protect its vulnerable residents.

SUBMITTED BY:**BUDGET OFFICER:**

Patty Ingram

Digitally signed by Patty Ingram
Date: 2021.05.04 14:16:43 -07'00'**DATE:****APPROVED BY DEPARTMENT OF FINANCE:****DATE SUBMITTED TO LEGISLATURE:**

6/2/2021

DIRECTOR:

Vito Imbasciani

Digitally signed by Vito Imbasciani
Date: 2021.05.05 08:38:45 -07'00'**DATE:****PPBA:****DATE:**

**California Department of Veterans Affairs
Section 28.00 Application**

Part B:

The United States Department of Veterans Affairs (VA) provided funding through the Consolidated Appropriations Act, 2021 (Public Law 116-260) for State Veterans Homes. Funds allocated pursuant to this section are to be used to provide a one-time emergency payment to existing State Veterans Homes to prevent, prepare for, and respond to COVID-19. The payments are in proportion to each state's share of the total resident capacity in such facilities as of the date of enactment of the Act, December 27, 2020, where such capacity includes only veterans on whose behalf the VA pays a per diem payment pursuant to 38 U.S.C. 1741 or 1745. CalVet was notified of this funding on March 17, 2021. Finance was notified on March 18, 2021. On March 23, 2021 and March 24, 2021, the CalVet Veterans Homes certified their December 27, 2020, census with the VA. All invoices were submitted by CalVet to the VA for each homes' share of the funding by April 21, 2021. Funds were received beginning on April 28, 2021 through early May.

In total, CalVet received \$9,725,346.45 in VA funding of which \$2 million is requested for current year expenditure authority. The current year funding will support COVID-19 expenditures in West Los Angeles, Lancaster, Ventura, and Barstow Veterans Homes. The Lancaster and Ventura homes were not eligible to receive funding from the Centers for Medicare and Medicaid Services that were received by the other five Veterans Homes as they do not operate a skilled nursing facility. The VA funding is the only additional funding received by these two Veterans Homes to offset their COVID-19 costs.

Authority for the balance, \$7.725 million, will be requested in fiscal year 2021-22.

BUDGET REVISION REQUEST

I. APPROPRIATION TO BE ADJUSTED

Department	Item No. 8955-001-0890	Budget Revision No. BR-5	Fiscal Year 2020-21
Department of Veterans Affairs	Fund Federal Trust Fund (0890)		

II. ACTION REQUESTED

A. BUDGET REVISION REQUEST

1. Type of Transaction:

- Reimbursement Changes
(Increase/Decrease in Reimbursements)
 - Nonstate funds
 - State funds
- Intra-item Transfer
- Federal Fund Increases/Decreases
- Other _____

2. Authority for BR:

- Section 1.50 (Technical Adjustment)
- Section 8.50 (Federal Fund Increases/Decreases)
- Section 26.00 (Intra-item transfer, see attached letter if more than \$200,000)
- Section 28.00 (See attached letter if more than \$400,000 or 10% of affected program)
- Section 28.50 (See attached letter if more than \$200,000)
- Other _____

III. SUMMARY OF PROPOSED REQUEST

The California Department of Veterans Affairs (CalVet) requests an increase in Item 8955-001-0890 of \$2,000,000 to accept a federal grant from the United States Department of Veterans Affairs. The grant provides funding for COVID-19 infection control efforts within CalVet Veterans Homes, including conducting testing and acquiring personal protective equipment.

The total amount of the grant is \$9,725,000, of which \$2 million is expected to be expended in 2020-21 and \$7,725,000 is expected to be expended in 2021-22. As such, this budget revision requests an increase in Federal Trust Fund authority of \$2 million in 2020-21 and the May Revision includes a one-time increase in Federal Trust Fund authority of \$7,725,000 in 2021-22.

1. Analyst Phil Osborn	Date	2. Principal Analyst Tim Weber	Date
3. PBM/APBM (signatures optional) Emma Jungwirth		4. Financial Operations	Date
		Budget Revision to Controller Reviewed by	<input type="checkbox"/> Yes <input type="checkbox"/> No

BUDGET REVISION

STD. 26 (REV. 9-94)

SEE SAM SECTION 6230, ET SEQ. FOR INSTRUCTIONS

DEPARTMENT NAME Department of Veterans Affairs	FUND Federal Trust Fund	DOCUMENT NUMBER BR - 5 - 0890
		FISCAL YEAR 2020-21

SOURCE OF FUNDS	AMOUNTS AVAILABLE	INCREASE (+) OR DECREASE (-)	
		REVISION REQUESTED	REVISION APPROVED (DEPT. OF FINANCE USE ONLY)
APPROPRIATION <i>(List adjustments in detail):</i> Item 8955-001-0890, Budget Act of 2020, Chapter 6, Statutes of 2020 BL 20-29 - Employer Retirement Adjustment BL 20-33 - Employee Compensation Reductions BL 20-34 - Employee Compensation Adjustments	\$2,763,000 -21,000 -157,000 65,000		
TOTAL <i>(Must equal the NET APPROPRIATIONS TOTAL below)</i>	\$2,650,000	\$0	\$0
UNSCHEDULED APPROPRIATIONS:			
LIST OF PROGRAMS, CATEGORIES OR PROJECTS			
IN SCHEDULED APPROPRIATION:			
(1) 6995010-Claims Representation	\$2,122,000		
(2) 6995028-Cemetery Operations	528,000		
(3) 7000028-Veterans Home of California at Barstow	0	156,000	
(4) 7000046-Veterans Home of California-Greater Los Angeles Ventura County (GLAVC)	0	1,844,000	
NET APPROPRIATION TOTAL	\$2,650,000	\$2,000,000	\$0

PURPOSE OF REVISION *(List in detail, including workload, fiscal history on capital outlay, and cross-reference supporting and related documents.)*

Control Section 28.00, Budget Act of 2020, request to increase Federal Trust Fund authority to accept funding from the United States Department of Veterans Affairs to support CalVet's response to the COVID-19 pandemic.

REQUESTED BY		RECOMMENDED BY <i>(Department)</i>		APPROVED BY <i>(Dept. of Finance)</i>	
NAME	DATE	NAME	DATE	NAME	DATE
Budget Officer		Deputy Secty Admin Svcs			