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June 15, 2021

Ms. Keely Martin Bosler, Director
Department of Finance
Room 1145, State Capitol
Sacramento, California 95814

Dear Ms. Bosler:

In a letter dated June 7, 2021, you notified the Joint Legislative Budget Committee (JLBC), pursuant to the provisions of Section 28.00 of the *2020-21 Budget Act*, of a request from the Department of Public Health (CDPH) to increase its federal expenditure authority in Item 4265-001-0890 by \$2,473,726. The funds will be used by CDPH's Center for Health Care Quality (CHCQ) to offset the costs associated with an increase in the number of COVID-19-related inspections and surveys of licensed health care facilities.

Recently, the Department of Finance has submitted a number of Section 28.00 requests, some with problematic elements including lack of sufficient detail, overlap with May Revision proposals, and failure to notify the JLBC in a timely manner. These factors significantly reduce the Legislature's ability to weigh in. Moreover, despite failing to notify the JLBC in a timely manner—as is required by the Section 28.00 process—the administration now requests the JLBC expedite its review. CDPH received the notice of award on February 18, 2021, but did not submit the Section 28.00 application until May 26, 2021. The application provides departments with the ability to explain the reason for the delay, but this application indicates the 45-day notification requirement was followed. I appreciate the tremendous increase in work CDPH and DOF have been required to do in responding to the COVID-19 pandemic, however going forward we need to maintain the integrity of the budgeting process and I respectfully request that the administration ensure that current year adjustments are handled in a timely manner as envisioned in Section 28.00 and other control sections. I also request that when the required notification period has not been met that the department inform the JLBC of the reason for the delay.

Despite my concern, I concur with the request because I believe the work of the CHCQ is critical in preventing further COVID-19 outbreaks. These funds will allow CDPH to continue its important work

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in responding to the pandemic and protecting public health, therefore, I approve your request to waive the remainder of the 30-day review period.

Sincerely,

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

Nancy Skinner
Chair

cc: Members of the Joint Legislative Budget Committee