



April 3, 2026

The Honorable Dawn Addis
Chair, Assembly Budget Subcommittee No. 1 on Health
1021 O Street, Suite 4120
Sacramento, CA 95814

**RE: 4260 – Department of Health Care Services (DHCS)
CCS County Administration Funding Request
Set for Hearing April 6, 2026 – Asm. Budget Subcommittee No. 1 on Health**

Dear Assembly Member Addis,

The County Health Executives Association of California (CHEAC), representing local health departments throughout the state, writes to respectfully request that the Legislature provide adequate funding for the county administration of the California Children's Services (CCS) Program in accordance with caseload and DHCS staffing standards.

California county health departments administer the California Children's Services (CCS) Program on behalf of the Department of Health Care Services (DHCS), serving some of the state's most medically complex and vulnerable children and youth. Over the past decade, the CCS Program has faced persistent budgetary and fiscal challenges due to chronic underfunding that does not reflect DHCS's own CCS staffing standards based on caseload.

Each year, CCS programs are provided with anticipated caseload figures and a maximum number of staff positions that may be requested by local CCS programs. This maximum number of staff positions is based on staffing standards that were initially established by DHCS nearly three decades ago. While the Administration reflects a slight decrease in caseload for the budget year, counties would note that funding is not adequately provided to support current caseloads and any decrease in funding would further limit the county's ability to adequately staff the program.

County CCS allocations support core program responsibilities, including determining CCS eligibility, providing care coordination and case management for CCS conditions (in independent classic counties), and delivering medical therapy services. Although DHCS has acknowledged deviations from the appropriate funding methodology – one that is explicitly based on CCS staffing standards and caseload – DHCS continues to underfund county CCS programs. Current year allocations to county CCS programs fall approximately \$109 million below funding levels required to meet DHCS staffing standards.

In addition to these ongoing funding shortfalls, counties anticipate increased costs associated with CCS clients who may lose Medi-Cal coverage as a result of the implementation of H.R. 1 and/or recent state policy changes – costs that are not reflected in the Governor's current budget proposal.

Counties require adequate and stable funding to maintain the infrastructure necessary to serve this highly vulnerable population. CHEAC stands ready to partner with the Legislature and Administration to ensure adequate funding for county CCS programs serving California's most

medically complex and vulnerable children.

Should you have any questions about our request, please contact me at mgibbons@cheac.org or 916-327-7540. Thank you.

Sincerely,

As signed by

Michelle Gibbons
Executive Director
County Health Executives Association of California (CHEAC)

cc: Honorable Members, Assembly Budget Subcommittee No. 1
Christian Griffith, Chief Consultant, Assembly Budget Committee
Patrick Le, Consultant, Assembly Budget Committee
Joe Shinstock, Fiscal Director, Assembly Republican Caucus
Eric Dietz, Consultant, Assembly Republican Caucus
Rosielyn Pulmano, Consultant, Office of Assembly Speaker Robert Rivas
Joe Stephenshaw, Director, California Department of Finance
Kim Johnson, Secretary, California Health and Human Services Agency
Michelle Baass, Director, California Department of Health Care Services
Richard Figueroa, Deputy Cabinet Secretary, Office of Governor Gavin Newsom
Paula Villescaz, Deputy Legislative Affairs Secretary, Office of Governor Gavin Newsom
Jason Constantouros, Principal Fiscal & Policy Analyst, Legislative Analyst's Office