



May 19, 2026

The Honorable John Laird
Chair, Senate Budget & Fiscal Review Committee
1021 O Street, Suite 8720
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

The Honorable Caroline Menjivar
Chair, Senate Budget & Fiscal Review
Subcommittee No. 3
1021 O Street, Suite 6630
Sacramento, CA 95814

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

RE: May Revision Proposals – 4260 (DHCS) and 4265 (CDPH) Items

Dear Senators Laird and Menjivar and Assembly Members Gabriel and Addis,

The County Health Executives Association of California (CHEAC), representing local health departments throughout the state, writes to provide input on key budget proposals as part of the Governor's 2026-27 May Revision:

DHCS CCS Program. The Governor's May Revision does not include a proposal for adequate funding for county administration of the California Children's Services (CCS) Program.

California county health departments administer the 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' own CCS staffing standards based on caseload.

County CCS allocations support core program responsibilities, including determining CCS eligibility, providing case management and care coordination 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 caseloads – 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. A similar shortfall is anticipated in the budget year, as well.

Counties require adequate and stable funding to maintain the infrastructure and workforce necessary to operate CCS programs statewide and serve this highly vulnerable population. CHEAC stands ready to partner with the Legislature and Administration to ensure adequate funding for county CCS programs serving the state's most medically complex and vulnerable children and youth.

In addition to core CCS program funding, CHEAC raises two CCS-related issues:

- **CCS WCM Impacts.** In light of the Governor's May Revision proposal to shift all Medi-Cal members with unsatisfactory immigration status (UIS) from the managed care delivery system to the fee-for-service (FFS) delivery system, CHEAC requests additional resources to support county CCS case management and administration activities for Whole Child Model (WCM) counties.

The CCS WCM Initiative was developed on the premise that CCS members would be enrolled in Medi-Cal managed care plans and receive case management and care coordination from managed care plans instead of the county CCS program. As a result of WCM implementation, county CCS programs experienced a significant decrease in state allocations and loss of case management personnel.

Transitioning the UIS population from the managed care delivery system to the FFS delivery system will result in increased CCS State Only enrollment and significant implementation challenges for county CCS programs. As this population will no longer be served by managed care plans, CCS programs in WCM counties will need additional resources to rebuild case management infrastructure and workforce to serve the population impacted by this shift.

For these reasons, CHEAC respectfully requests additional funding for county CCS program case management and administration activities in WCM counties for the UIS population.

- **CCS County Oversight & Monitoring.** As part of the Governor's May Revision proposed trailer bill related to DHCS' CalAIM Waiver Renewal, CHEAC respectfully requests that statute within the same article related to the CCS County Oversight & Monitoring (WIC 14184.600(b-c)) be repealed in its entirety.

DHCS has existing statutory and regulatory authority to oversee county CCS program operations without the need for these provisions. Moreover, DHCS has acknowledged ongoing fiscal and administrative challenges within this program and indefinitely deferred the CCS Oversight & Monitoring Initiative Memorandum of Understanding (MOU) and made optional county monitoring and oversight activities.

For these reasons, CHEAC respectfully requests repeal of the CCS County Oversight & Monitoring statutory provisions contained in WIC 14184.600(b-c).

CDPH BHSa Population-Based Prevention. CHEAC expresses support for the Governor's May Revision proposal for provisional budget language to provide CDPH Behavioral Health Services Act (BHSa) Population-Based Prevention funding to local health jurisdictions as a direct allocation exempt from existing state contracting requirements.

Distributing this funding as a direct allocation to local health departments will expedite dollars reaching local health departments while also reducing administrative burden at both state and local levels. For these reasons, CHEAC respectfully requests support of the Administration's proposed provisional budget language.

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

Respectfully,

As signed by

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

cc: Honorable Members, Senate Budget & Fiscal Review Subcommittee No. 3
Honorable Members, Assembly Budget Subcommittee No. 1
Elisa Wynne, Staff Director, Senate Budget & Fiscal Review Committee
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