

HEALTH AND HUMAN SERVICES

The Health and Human Services Agency (CalHHS) oversees departments and state entities that provide health and social services to the most vulnerable and at-risk Californians while providing public health services to all Californians. CalHHS is leading the response to the COVID-19 Pandemic along with the Governor's Office of Emergency Services. The Governor's Budget includes \$217.5 billion (\$64.7 billion General Fund and \$152.7 billion other funds) for all health and human services programs in 2022-23.

The COVID-19 Pandemic continues to have a significant impact on the programs under CalHHS and the Budget reflects updated estimates to support ongoing response efforts, including expanding vaccinations, testing and supporting hospitals.

The 2021 Budget Act provided unprecedented investments to improve the lives of all Californians, with a focus on the state's most vulnerable communities. This included significant investments for the continuum of behavioral health treatment resources, transformation of the system for providing behavioral health services to children and youth, expansion and rehabilitation of adult and senior care facilities, expansions of Medi-Cal eligibility to older adults regardless of immigration status, more home and community-based services, and a commitment to increasing subsidized child care by over 145,000 slots.

The Budget continues advancing the health and well-being of all Californians by building upon the significant investments made in 2021-22. The proposed investments will improve the state's ability to serve the whole person, and advance the goal that

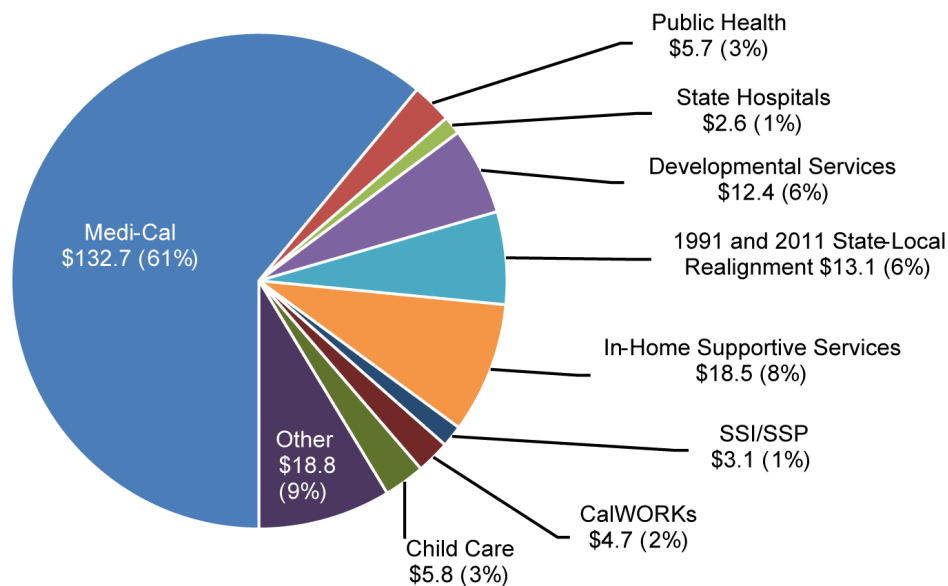
HEALTH AND HUMAN SERVICES

health care, housing, and social needs are considered together, rather than through the lens of separate funding streams or programs. Budget proposals that address the needs of those with serious mental illness, those who are justice-involved, as well as immigrants, children, and aging populations, will improve the lives of California's most vulnerable residents while addressing underlying inequities in society.

In addition to the substantial investments in health and human services programs described in this chapter, the Budget includes a \$1.5 billion investment in workforce development that will build a well-trained health and human services workforce as an economic driver for low-income communities. See the Labor and Workforce Development Chapter for more details.

Health and Human Services Proposed 2022 -23 Funding ^{1/} All Funds

(Dollars in Billions)



^{1/}Totals \$217.5 billion for support, local assistance, and capital outlay. This figure includes reimbursements of \$20.3 billion and excludes \$2,520,000 in Proposition 98 funding in the Department of Developmental Services and Department of Social Services budgets and county funds that do not flow through the state budget.

Note: Numbers may not add due to rounding.

Major Health and Human Services Program Caseloads

	2021-22 Revised	2022-23 Estimate	Change
Medi-Cal	14,608,700	14,178,200	-430,500
California Children's Services (CCS) ^{1/}	9,311	11,678	2,367
CalWORKs	354,883	398,561	43,678
CalFresh	2,724,954	2,854,321	129,367
SSI/SSP (support for aged, blind, and disabled)	1,137,933	1,109,436	-28,497
Child Welfare Services ^{2/}	104,666	103,108	-1,558
Foster Care	53,083	52,912	-171
Adoption Assistance	86,326	86,329	3
In-Home Supportive Services	583,083	598,835	15,752
Regional Centers	386,431	407,634	21,203
State Hospitals ^{3/}	6,731	7,141	410
Developmental Centers ^{4/}	322	322	0
Vocational Rehabilitation	110,557	110,557	0

^{1/} Represents unduplicated quarterly caseload in the CCS Program. Does not include Medi-Cal CCS beneficiaries.

^{2/} Represents Emergency Response, Family Maintenance, Family Reunification, and Permanent Placement service areas on a monthly basis. Due to transfers between each service area, cases may be reflected in more than one service area.

^{3/} Represents the year-end population at State Hospitals, county Jail-Based Competency Treatment programs, and Kern Admission, Evaluation and Stabilization center.

^{4/} Represents the year-end population.

HEALTH CARE AFFORDABILITY AND EXPANDING AVAILABILITY OF SERVICES FOR ALL CALIFORNIANS

Improving the affordability of health coverage and availability of health care will benefit millions of Californians. The State has taken many actions over the last several years to improve health care affordability—such as expanding Covered California premium subsidies for the middle class; expanding access to Medi-Cal to children, young adults, and older adults regardless of immigration status; and expanding coverage for preventive services, such as screening for adverse childhood experiences and for dementia. CalHHS has also convened the Healthy California for All Commission, which is exploring strategies to unify and simplify health care financing and improve the affordability of high quality, accessible, and equitable care for all. To sustain affordable access to health care, the state must also address the underlying cost drivers of health care.

OFFICE OF HEALTH CARE AFFORDABILITY

The Administration will move forward to establish an Office of Health Care Affordability, housed within the Department of Health Care Access and Information, to address underlying cost drivers and improve the affordability of health coverage, benefiting millions of working Californians. The Office will be charged with increasing transparency on cost and quality, developing cost targets for the health care industry, enforcing compliance through financial penalties, and improving market oversight of transactions that may adversely impact market competition, prices, quality, access, and the total cost of care. In addition to lowering the rate of cost growth, the Office will promote health care workforce stability and innovation, report on the quality of care and equity in services on the entire health care system, advance payment models that reward high-quality, cost-efficient care, and promote investments in primary care and behavioral health. The Budget reappropriates funding for the Office that was originally included in the 2021 Budget Act and proposes statutory changes for its establishment.

COVERED CALIFORNIA

The 2019 Budget Act authorized \$1.5 billion for a state-supported premium subsidy at Covered California to provide additional subsidies to low-income consumers and create new subsidies for middle-income consumers who were not eligible for federal subsidies at the time. Because the federal American Rescue Plan Act provides significantly expanded federal subsidies through 2022, they have taken the place of the state subsidies, resulting in savings to the state. As required by Chapter 21, Statutes of 2021 (AB 128) and Chapter 143, Statutes of 2021 (AB 133), \$333.4 million from the General Fund that would have been used for state subsidies was deposited into a reserve fund to be used for future affordability programs. Covered California has developed a report (as required by AB 133) on options to reduce out-of-pocket expenses for consumers. The Administration will work with the Legislature, Covered California, and stakeholders on options to further improve affordability and access to health care coverage, while considering the role that potential federal legislation may play in determining the ongoing level of federal subsidies available through Covered California.

REDUCING THE COST OF INSULIN

The insulin market has long epitomized the high cost in the pharmaceutical industry. The Administration will continue to work on plans to increase the availability of insulin that is

priced at a fraction of current market prices, which often exceed \$300 per vial. A potential partnership with a contract manufacturer of insulin could position the state to find drug affordability solutions as it lays the groundwork for future collaborations on other high-priority drugs, securing more consistent and reliable supply chains, and advancing a Healthy California for All where cost is not a barrier to essential medicines.

EXPANSION OF MEDI-CAL TO ALL INCOME-ELIGIBLE CALIFORNIANS

Over the last decade, the Medi-Cal program has significantly expanded and changed, due in large part to the implementation of the federal Patient Protection and Affordable Care Act and California's expansions of Medi-Cal coverage to children, young adults, and older adults age 50 and over regardless of immigration status. The Budget builds on those expansions and includes \$819.3 million (\$613.5 million General Fund) in 2023-24 and \$2.7 billion (\$2.2 billion General Fund) annually at full implementation, inclusive of In-Home Supportive Services (IHSS) costs, to expand full-scope eligibility to all income-eligible adults aged 26 through 49 regardless of immigration status. Beginning no sooner than January 1, 2024, Medi-Cal will be available to all income-eligible Californians.

REPRODUCTIVE HEALTH

To protect the right to safe and accessible reproductive health care services, the Administration will undertake a number of actions to maintain and improve availability of these essential services.

- **Increasing Flexibilities**—The Medi-Cal program provides comprehensive family planning and reproductive health services. To increase flexibility for Medi-Cal providers to provide clinically appropriate medication abortion services, the Department of Health Care Services (DHCS) will modify its existing billing requirements to remove requirements for in-person follow up visits and ultrasounds, if not clinically indicated.
- **Family Planning, Access, Care and Treatment (PACT) HPV Vaccine Coverage**—The Budget includes \$8 million (\$4.6 million General Fund) in 2022-23 and ongoing to add the human papillomavirus vaccine as a covered benefit under the Family PACT program, effective July 1, 2022.
- **Clinical Infrastructure**—To support California's clinical infrastructure of reproductive health care services, the Budget includes one-time funding of \$20 million General

Fund within the Department of Health Care Access and Information to provide scholarships and loan repayments to a variety of health care provider types that commit to providing reproductive health care services.

- **Capital Infrastructure**—The Budget includes one-time funding of \$20 million in grant funding to the Department of Health Care Access and Information to assist reproductive health care facilities in securing their physical and information technology infrastructure and to enhance facility security.
- **Covered California Subsidies**—The Budget includes \$20 million General Fund in 2022-23 for Covered California to support the One-Dollar Premium Subsidy program which subsidizes the cost of Covered California consumers for health plans due to federal policy concerning abortion coverage.

The Administration will work with the Legislature to reduce barriers to accessing abortion and abortion related services through managed care plans.

ADDRESSING THE BEHAVIORAL HEALTH NEEDS OF CALIFORNIA'S MOST VULNERABLE

The COVID-19 Pandemic has exacerbated behavioral health challenges—mental health and substance use disorder—and placed significant demands on the existing system of care. Workforce shortages have widened the inequities across the system, worsened by the pandemic. In California, consistent with trends in the rest of the nation, overdose deaths have risen as well as suicidal ideation and hospitalization for self-harming behavior. In addition to the new proposals described below the state is also implementing the California Advancing and Innovation Medi-Cal waiver that will further expand behavioral health services.

BEHAVIORAL HEALTH CRISIS CARE CONTINUUM

The Administration's vision to transform the behavioral health system resulted in significant investments in the 2021 Budget Act that support generational change to reimagine the children and youth behavioral health system, investments in facilities, and investments in Medi-Cal to increase timely access to care using a "no wrong door" approach (whereby a beneficiary can enroll in Medi-Cal in a number of different places) for mental health and substance use disorder services.

In 2022, CalHHS will develop a plan to support connections between prevention efforts like hotlines and peer support services, 9-8-8 mental health crisis call centers, and mobile crisis response at the local level. The Budget includes \$7.5 million General Fund (\$6 million ongoing) for the California Governor's Office of Emergency Services to advance implementation of the 9-8-8 call system and support call handling equipment so existing crisis hotline centers have the needed resources to process additional 9-8-8 calls and coordinate and transfer calls with no loss of information between the 9-8-8 and 911 systems. See the Emergency Response Chapter for more details.

In addition, the Budget includes \$1.5 billion General Fund over two years for additional housing supports to those with behavioral health needs, as well as \$1.7 billion in Care Economy Workforce investments, including funding to recruit and train 25,000 new community health workers as well as additional psychiatric providers. (See the Housing and Homelessness and Labor and Workforce Development Chapters for more details.) The Budget also includes \$10 million to administer a competitive grant program to prevent and treat depression, as part of the California Initiative to Advance Precision Medicine. See the General Government and Statewide Issues Chapter for more details.

FELONY INCOMPETENT TO STAND TRIAL WAITLIST SOLUTIONS

Like many states, California is home to thousands of vulnerable and ill individuals who, as a result of limited community-based and early intervention treatment, decompensate to a point where engagement and treatment is difficult. Many of these Californians with the most severe behavioral health conditions, become fixed in a cycle of untreated mental illness, homelessness, and incarceration. Criminal defendants who are unable to understand criminal proceedings or assist counsel in their defense are determined by a court to be Incompetent to Stand Trial (IST). If charged with a felony, they can be committed to the Department of State Hospitals (DSH) to provide clinical and medical services with the goal of restoring their competency and enabling them to return to court to resume their criminal proceedings. Although this budget proposal and recent prior budget acts make significant investments that will build up behavioral health infrastructure in communities, a current lack of community behavioral health services has led to a rapidly growing number of individuals found IST and referred to DSH.

In June 2021, an appellate court affirmed the order in *Stiavetti v. Clendenin* requiring DSH to commence substantive competency restoration services for all ISTs committed to DSH within 28 days of receipt of the commitment packet from the court. Court orders and penalties regarding ISTs could cost California as much as one billion dollars

annually based on the State of Washington's experience. Despite increasing bed capacity, decreasing the average length of stay, and implementing county-based treatment programs, the increasing number of county IST referrals has resulted in a large waitlist and long wait times for defendants pending placement to DSH. Furthermore, the impacts of the COVID-19 Pandemic and necessary infection control measures put in place in DSH facilities resulted in slower admissions and reduced capacity for the treatment of felony ISTs at DSH. In the fall of 2021, DSH convened an IST Workgroup to identify actionable solutions to address the increasing number of individuals with serious mental illness who are deemed IST on felony charges.

Informed by the deliberations of the Workgroup, the Budget reflects spending of \$93 million General Fund in 2021-22 (including funds previously appropriated for Workgroup solutions and redirected funds) and \$571 million General Fund in 2022-23 and ongoing (including funds previously appropriated for Workgroup solutions, redirected funds and new funding). These funds will provide for:

- **Early Stabilization and Community Care Coordination** to provide immediate solutions to support access to treatment for the nearly 1,700 individuals currently found IST on felony charges and waiting in jail, and to reduce the flow of new incoming referrals. This includes funding for:
 - Early access to medication stabilization teams to encourage substantive treatment in jail settings,
 - Statewide funding for medication support, and
 - DSH case management teams to coordinate IST care with counties and other community providers.
- **Expand Diversion and Community-Based Restoration Capacity** to increase IST treatment alternatives by investing in the community infrastructure required to support the felony IST population. This includes funding for:
 - Infrastructure to increase the number of community residential beds dedicated to DSH Diversion and Community-Based Restoration programs,
 - Augmented funding for counties to expand DSH Diversion and Community-Based Restoration,
 - Supporting county partnerships for entities impacted by felony IST community placements, and
 - Workforce development support for counties and community providers.

These investments support the goal of providing care in the least restrictive, community-based settings while maintaining public safety. In order to encourage the expansion of community care that does not create unintended incentives that drive additional IST referrals, the state will implement a growth cap on IST referrals that will include a county cost sharing methodology if the growth cap is exceeded.

The ability of the state to address the IST waitlist is directly impacted by the Lanterman Petris Short (LPS) Conservatorship census at DSH facilities exceeding current contracted levels with counties and LPS patients being held longer than their treatment plan requires. Welfare and Institutions Code section 4147, which established the IST Solutions Workgroup, provides that if insufficient progress is made in addressing the waitlist, CalHHS may discontinue the admission of new LPS patients, establish LPS reduction targets for counties, and charge counties that do not achieve reductions 150 percent of the current bed rate for LPS patients.

The coordinated behavioral health investments made as part of the 2021 Budget Act and the Budget will support county efforts to serve individuals at risk of becoming IST upstream, before they become involved in the criminal justice system—including investments in the Behavioral Health Continuum Infrastructure Program and the proposed \$1.5 billion General Fund over two years in housing options for those with behavioral health conditions.

MEDI-CAL COMMUNITY-BASED MOBILE CRISIS SERVICES

The American Rescue Plan Act of 2021 authorizes 85-percent federal matching funds for a Medicaid mobile crisis response services benefit, available for 12 quarters during a five-year period starting April 1, 2022. DHCS will add multi-disciplinary mobile response services for crises related to mental health and substance use disorders as a new Medi-Cal benefit, as soon as January 1, 2023. Providing community-based mobile crisis services will help reduce the impact of untreated behavioral health conditions on emergency departments and psychiatric facilities, by providing a system for triaging and referring people to services in the community. Over the five-year period authorized by the Act, total costs of this new benefit are projected to be \$1.4 billion (\$335 million General Fund). This benefit builds on the \$205 million and other funds the 2021 Budget Act provided to counties for infrastructure development in preparation for the implementation of the mobile crisis benefit.

OPIOID RESPONSE

Deaths related to synthetic opioids and psychostimulants with abuse potential have increased, while prescription opioid-related overdoses have decreased over time due to successful interventions addressing prescribing patterns. Illicit synthetic opioids (primarily fentanyl and fentanyl analogs) and psychostimulants with abuse potential (such as methamphetamine and cocaine) have become increasingly available in the drug supply.

In response to this growing problem, the Budget includes \$96 million General Fund in 2022-23 and \$61 million ongoing General Fund for the Medication Assisted Treatment (MAT) Expansion Project. Additional MAT resources would be targeted towards expanding the Naloxone Distribution Project, supporting 100 new MAT access points statewide, expanding MAT in county jails, and increasing MAT services within state-licensed facilities.

In addition, the Budget includes one-time \$86 million opioid settlement funds which will be dedicated to a public awareness campaign targeted towards youth opioids education and awareness and fentanyl risk education (\$50 million) and improving the state's ability to collect and analyze data on opioid overdose trends (\$5 million) for the Department of Public Health, provider training on opioid treatment (\$26 million) for the Department of Health Care Access and Information, and distributing naloxone to homeless service providers (\$5 million) for the Department of Health Care Services.

SUPPORT FOR CALIFORNIA'S AGING POPULATION

In the 2021 Budget Act, the state made substantial investments in response to the Governor's Master Plan for Aging and Alzheimer's Task Force recommendations to prepare for more Californians living longer and to advance inclusive, equitable communities for all ages and abilities. By 2030, the population of Californians over age 60 is projected to be greater than under 18 for the first time ever, and record numbers of people will live to be 100. This shift in California's population is changing family life, communities and the economy, with new opportunities and challenges. To further the Administration's goals, the Budget includes additional investments to support the state's aging population.

REFORMING NURSING FACILITY FINANCING

Currently, the state provides annual cost-based increases and quality incentive payments to skilled nursing facilities, funded partly by a Quality Assurance Fee equivalent to 6-percent of facility revenues. The resulting revenue draws down additional federal funding to support nursing facility payments. The existing framework, authorized initially in 2004 and last extended in 2020, sunsets on December 31, 2022. The Budget proposes to reform the funding framework to move from a primarily cost-based methodology to one that incentivizes value and quality. The intent of these reforms is to further enable nursing facilities to invest in quality and patient care while assuring the long-term financial viability of these essential Medi-Cal providers.

EXPANDING THE ALZHEIMER'S HEALTHY BRAIN INITIATIVE

The Budget includes \$10 million one-time General Fund to continue support for the existing Alzheimer's Healthy Brain Initiative grantees in six local health jurisdictions and expand to up to six additional local health jurisdictions to support activities consistent with the U.S. Centers for Disease Control and Prevention and Alzheimer's Association Healthy Brain Initiative State and Local Public Health Partnership to Address Dementia: The 2018-2023 Road Map, a public-private partnership to promote brain health, better care for people with cognitive impairment, increase attention to caregivers, and build public health capacity.

IMPLEMENTING THE MASTER PLAN FOR AGING

The Budget also makes a range of targeted investments to propel age-, disability-, and dementia-friendly communities statewide, including:

- **Master Plan for Aging**—The Budget includes \$2.1 million (\$1.8 million General Fund) to bolster the Master Plan for Aging's Data Dashboard to drive outcomes and sustain public engagement for statewide initiatives through the Department of Aging, and strengthen civic engagement policies and programs in the California Commission on Aging.
- **Health Care Access for Working Disabled People**—\$1.5 million General Fund ongoing to reduce Medi-Cal premiums for working adults with disabilities to continue progress on California's goals to expand access to health care and increase the affordability of home care.

- **Intergenerational Volunteering and Community Engagement**—The Budget includes funding for various volunteer programs across the state including one-time \$10 million General Fund for programs to engage older adults in volunteer service. See the General Government and Statewide Issues Chapter for more details.
- **Inclusive and Equitable Employment**—\$7.6 million for an expanded California Leads as an Employer initiative through the California Department of Human Resources to continuously recruit and support a state workforce that reflects all of California, which includes renewed efforts to employ Californians with disabilities. See the General Government and Statewide Issues Chapter, Transforming Government Operations Section for more details.
- **Protecting and Empowering At-Risk Aging and Disabled Populations**—California is increasing investments in serving the growing number of older and disabled adults with more complex needs, across a range of specialized services. The Budget includes the following:
 - \$10.6 million General Fund annually for three years to continue the Returning Home Well Program to provide transitional housing to parolees at risk of housing insecurity or homelessness. Approximately 25 percent of the parole population is 50 years or older.
 - A new position to coordinate best practices with county Public Conservator agencies serving people with probate conservatorships at the California Department of Aging.
 - A new position focused on supporting aging individuals with developmental disabilities and their families at the California Department of Developmental Services.

DEPARTMENT OF HEALTH CARE SERVICES

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services (DHCS). Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates that a range of basic services be included in the program and the state provides additional optional benefits. The Department also oversees county-operated community mental health and substance use disorder programs, the California Children's Services and the Primary and Rural Health Programs.

The Medi-Cal budget is \$123.8 billion (\$26.8 billion General Fund) in 2021-22 and \$132.7 billion (\$34.9 billion General Fund) in 2022-23. The Governor's Budget assumes that caseload will increase by approximately 8.3 percent from 2020-21 to 2021-22 and decrease by 3 percent from 2021-22 to 2022-23. Medi-Cal is projected to cover approximately 14.2 million Californians in 2022-23, over one-third of the state's population.

CALIFORNIA ADVANCING AND INNOVATING MEDI-CAL (CALAIM)

CalAIM is a framework that encompasses a broad-based delivery system, program, and payment reform across the Medi-Cal program. CalAIM recognizes the opportunity to move the whole-person care approach that integrates health care and other social determinants of health, to a statewide level, with a clear focus on improving health and reducing health disparities and inequities, including improving and expanding behavioral health care. Updates to the Department's Section 1115 CalAIM demonstration and Section 1915(b) waiver (which the federal government recently approved), along with related contractual and Medi-Cal State Plan changes, will enable California to execute the CalAIM initiative, providing benefits to certain high-need, hard-to-reach populations, with the objective of improving health outcomes for Medi-Cal beneficiaries and other low-income individuals in the state.

The Budget includes \$1.2 billion (\$435.5 million General Fund) in 2021-22, \$2.8 billion (\$982.6 million General Fund) in 2022-23, \$2.4 billion (\$876.4 million General Fund) in 2023-24, and \$1.6 billion (\$500 million General Fund) in 2024-25 for CalAIM. CalAIM initiatives being implemented in 2022-23 include mandatory enrollment into managed care of beneficiaries eligible for both Medi-Cal and Medicare; the requirement that all managed care plans cover long-term care; the provision of a targeted set of Medicaid services to eligible justice-involved populations prior to release; and the Providing Access and Transforming Health (PATH) initiative to further the successful implementation of CalAIM.

Incarcerated individuals leaving correctional facilities are at high-risk of poor outcomes due to high rates of mental illness, substance use disorders, complex medical conditions, and potential social needs such as housing insecurity, unemployment, and inadequate social connections. CalAIM proposes to improve outcomes for this population by mandating a county pre-release Medi-Cal application process for incarcerated individuals, allowing Medi-Cal reimbursement for services in the 90-day time period prior to release, and to encourage a facilitated referral and linkage ("warm

hand-off") to behavioral health services, both to providers in managed care networks and to county behavioral health departments.

PATH includes the following programs and initiatives:

- Justice-involved start-up funds to build on the successful work conducted under Whole Person Care pilots. This PATH program will build statewide capacity and expand access to necessary pre-release and post-release services under CalAIM.
- Support for implementation of Enhanced Care Management and Community Supports, including Whole Person Care services and transition to managed care; technical assistance; collaborative planning; and capacity and infrastructure transition, expansion, and development funding for providers, community-based organizations, and counties.

An additional goal of CalAIM is to develop a new Foster Care Model of Care. To address the complex medical and behavioral health needs of foster youth, and to build on the Continuum of Care Reforms, the Administration intends to work with stakeholders in the budget year to develop a new model of care. DHCS and the Department of Social Services will center this effort on establishing an accountability framework across systems, advancing equity, and integrating services and care.

PROPOSITION 56 PROVIDER PAYMENTS

Proposition 56 funds various supplemental payment programs including the Family Planning, Access, Care and Treatment program, women's health services, dental and physician services, developmental and trauma screenings, non-emergency medical transportation, and others. Proposition 56 revenues continue to decline as the rate of tobacco use declines. In 2022-23, Medi-Cal supplemental payments funded by Proposition 56 are projected to exceed revenues by \$176 million. To maintain the enhanced level of reimbursement, the Budget includes \$176 million General Fund to support reduced Proposition 56 revenue.

ELIMINATION OF CERTAIN AB 97 PROVIDER RATE REDUCTIONS

AB 97 (Chapter 3, Statutes of 2011) required DHCS to reduce most Medi-Cal provider payments by 10 percent, with limited exceptions. Since that time, certain AB 97 provider payment reductions have been rescinded. The Budget proposes to rescind the AB 97 provider rate reductions for eight provider types based on COVID-19 Pandemic impacts

and the Department's quality and equity goals—nurses of all types, alternative birthing centers, audiologists and hearing aid dispensers, respiratory care providers, select durable medical equipment providers, chronic dialysis clinics, non-emergency medical transportation providers, and emergency medical air transportation providers. The Budget includes fee-for-service costs of \$20.2 million (\$9 million General Fund) in 2022-23 and \$24 million (\$10.7 million General Fund) annually thereafter for elimination of these rate reductions.

MEDI-CAL PROVIDER EQUITY PAYMENTS

During the COVID-19 Public Health Emergency, there has been a significant decline in utilization of preventive care and routine care for chronic conditions. In addition, the disparate impacts of COVID-19 on communities of color and other disadvantaged Californians underscore the existing disparities in our health care system. To promote patient-centered models of care, the Budget includes one-time \$400 million (\$200 million General Fund) for provider payments focused on advancing equity and improving quality in children's preventive, maternity, and integrated behavioral health care.

PUBLIC HOSPITAL FINANCING REFORM

To further the standardization of the Medi-Cal program and move towards a more streamlined financing system, the Administration proposes to work with the public hospital systems in 2022-23 to reform Medi-Cal payments for public hospitals. The goal of these payment reforms is to drive system transformation to provide person-centered care, reduce administrative burden, and focus on integration, quality, outcomes, and value.

Other Significant Adjustments:

- **2021-22 Budget**—The Budget reflects lower Medi-Cal expenditures of approximately \$1.1 billion General Fund in 2021-22 compared with the 2021 Budget Act. The decrease is due primarily to projected savings associated with continued enhanced FMAP through the end of the fiscal year versus the assumed calendar year, and shifts in funding for the Behavioral Health Continuum Infrastructure Program and Children and Youth Behavioral Health Initiative. These reduced General Fund costs are partially offset by increased costs associated with COVID-19 caseload and state-only claiming adjustments.

- **Year-Over-Year**—The Budget projects Medi-Cal expenditures of \$34.9 billion General Fund in 2022-23, an increase of \$8 billion General Fund compared with the revised 2021-22 expenditures. A majority of the increase is attributable to enhanced FMAP assumed to no longer be available in 2022-23, other COVID-19 related impacts, funding shifts and second year funding for the Behavioral Health Continuum Infrastructure Program and the Children and Youth Behavioral Health Initiative, funding for housing supports for those with behavioral health needs, and state-only claiming adjustments.
- **Medi-Cal Caseload Impacts**—The Budget projects an average monthly caseload of 14.6 million beneficiaries in 2021-22 and 14.2 million in 2022-23, and includes \$10.5 billion total funds (\$2.9 billion General Fund) in 2021-22 and \$10 billion total funds (\$2.8 billion General Fund) in 2022-23 for caseload attributable to the COVID-19 Pandemic. Caseload is projected to peak at 15.2 million in July 2022, driven by the assumed federal continuous coverage requirement related to the COVID-19 Public Health Emergency.
- **Additional COVID-19 Impacts**—The Budget includes costs of \$3.1 billion total funds (\$2.9 billion General Fund savings) in 2021-22 and \$1.1 billion total funds (\$498.6 million General Fund savings) in 2022-23 for COVID-19 impacts (excluding caseload), such as enhanced FMAP savings, COVID-19 testing in schools, and federal waiver flexibilities.
- **State-Only Claiming Adjustment**—The Budget includes \$728.3 million General Fund in 2021-22 and \$1.5 billion General Fund in 2022-23 for retroactive and ongoing dental, pharmacy, managed care, and behavioral health costs associated with state-only populations.
- **Medi-Cal for Older Adults Regardless of Immigration Status**—The Budget includes \$54 million (\$43.1 million General Fund) in 2021-22 and \$660.9 million (\$567.1 million General Fund) in 2022-23 for the full year cost of expanding full-scope Medi-Cal to older adults age 50 and older regardless of immigration status effective May 1, 2022 (inclusive of IHSS costs). This policy change was included in the 2021 Budget Act.
- **Medi-Cal Assets for Older and Disabled Adults**—The Budget includes \$200.7 million (\$93.4 million General Fund) in 2022-23 to phase in the elimination of the Medi-Cal asset limit no sooner than January 1, 2022 (inclusive of IHSS costs). The asset limit will be fully eliminated no sooner than January 1, 2024 with an annual cost of \$434.7 million (\$201.3 million General Fund) ongoing. This policy change was included in the 2021 Budget Act.

- **Extension of Adverse Childhood Experiences (ACES) Provider Training**—The Budget includes one-time \$135.1 million (\$67.6 million Mental Health Services Fund, remainder is federal funds), over a three-year period to extend Medi-Cal provider training for ACEs screenings.
- **County Eligibility Redeterminations Funding**—The Budget includes \$73 million total funds (\$36.5 million General Fund) in each of 2021-22 and 2022-23 for counties to resume annual redeterminations of Medi-Cal beneficiaries.
- **Indian Health Program Grant Restoration**—The Budget includes one-time \$12 million General Fund to restore grant funding for Tribal Health Programs, which provide health care services to American Indian populations, both on tribal land and in urban areas, and operate in designated Health Professional Shortage Areas. This funding will promote the retention of the health care workforce that serves these programs and decrease the health disparities experienced by American Indians.
- **Reduction of Medi-Cal Premiums**—To increase access to health care services, the Administration proposes to reduce the financial burden of paying for health care coverage for approximately 500,000 Medi-Cal enrollees who pay monthly premiums for coverage. The Budget includes \$53.2 million (\$18.9 million General Fund) in 2022-23 and \$89 million (\$31 million General Fund) annually to reduce premiums for beneficiaries, including pregnant women, children, and disabled working adults, whose income is marginally above the threshold for no cost Medi-Cal. See the Early Childhood Chapter for more details.
- **Sunset of Child Health and Disability Prevention Program**—The Administration proposes to sunset the Child Health and Disability Prevention Program (CHDP) effective July 1, 2023 to advance CalAIM's goal of streamlining the Medi-Cal program. As part of this proposal, DHCS will implement the Children's Presumptive Eligibility Program to replace the CHDP Gateway to allow applicable Medi-Cal providers to enroll children into Medi-Cal through the presumptive eligibility process.
- **Dental Managed Care**—The Administration proposes to extend dental managed care contracts and reprocure new contracts no sooner than January 1, 2024.

DEPARTMENT OF SOCIAL SERVICES

The Department of Social Services (DSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Department's major programs include CalWORKs, CalFresh, In-Home Supportive Services (IHSS),

Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, Disability Determination Services, and child care and nutrition. The Budget includes \$40.7 billion (\$16.1 billion General Fund) for DSS programs in 2022-23.

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS

The CalWORKs program, California's version of the federal Temporary Assistance for Needy Families (TANF) program, provides temporary cash assistance to low-income families with children to meet basic needs. It also provides welfare-to-work services so that families may become self-sufficient. Eligibility requirements and benefit levels are established by the state. Counties have flexibility in program design, services, and funding to meet local needs.

Total TANF expenditures are \$8.5 billion (state, local, and federal funds) in 2022-23. The amount budgeted includes \$6.6 billion for CalWORKs program expenditures and \$2 billion in other programs. Other programs include expenditures for Child Welfare Services, Foster Care, Department of Developmental Services programs, the Statewide Automated Welfare System, California Community Colleges Child Care and Education Services, Cal Grants, and the Department of Child Support Services. The average monthly CalWORKs caseload is estimated to be 398,000 families in 2022-23.

Significant Adjustment:

- **CalWORKs Grant Increase**—The Budget projects a 7.1-percent increase to CalWORKs Maximum Aid Payment levels. See the Early Childhood Chapter for more details.

IN-HOME SUPPORTIVE SERVICES

The IHSS program provides domestic and related services such as housework, meal preparation, and personal care services to eligible low-income individuals with disabilities, including children, adults, and seniors. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization. The Budget includes \$18.5 billion (\$6.5 billion General Fund) for the IHSS program in 2022-23. Average monthly caseload in this program is estimated to be 599,000 recipients in 2022-23. Due to the \$15-per-hour state minimum wage, effective January 1, 2022, the Governor's Budget includes \$192 million General Fund in 2021-22

and \$399 million in 2022-23 to reflect increased minimum wage costs in the IHSS program.

Significant Adjustment:

- **IHSS Permanent Back-up Provider System**—The Budget includes \$24.8 million (\$11.2 million General Fund) ongoing to establish a permanent back-up provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or emergencies.

SUPPLEMENTAL SECURITY INCOME (SSI)/STATE SUPPLEMENTARY PAYMENT (SSP)

The federal SSI program provides a monthly cash benefit to individuals with disabilities, including children, adults, and seniors who meet the program's income and resource requirements. In California, the SSI payment is augmented with an SSP grant. These cash grants help recipients meet their basic needs and living expenses. The federal Social Security Administration administers the SSI/SSP program, making eligibility determinations, computing grants, and issuing combined monthly checks to recipients. The state-only Cash Assistance Program for Immigrants (CAPI) provides monthly cash benefits to aged, blind, and disabled individuals who are ineligible for SSI/SSP due solely to their immigration status.

The Budget includes \$3.1 billion General Fund in 2022-23 for the SSI/SSP program. The average monthly caseload in this program is estimated to be 1.1 million recipients in 2022-23. A 5.9-percent federal SSI cost-of-living adjustment and 24-percent SSP increase took effect on January 1, 2022, bringing the maximum SSI/SSP grant levels to \$1,040 per month for individuals and \$1,766 per month for couples. CAPI benefits are equivalent to SSI/SSP benefits.

Significant Adjustment:

- **SSP Increase**—The Budget assumes an additional SSP increase of 24 percent, effective January 1, 2024, resulting in an estimated \$296 million General Fund in 2023-24 and \$593 million ongoing, and would fully restore SSP monthly payments for both individuals and couples to pre-Great Recession levels. The increase is projected to bring maximum SSI/SSP grant levels to \$1,123 per month for individuals and \$1,940 per month for couples in 2024.

CHILDREN'S PROGRAMS

Child Welfare Services include family support and maltreatment prevention services, child protective services, foster care services, and adoptions. California's child welfare system provides a continuum of services to children who are either at risk of or have suffered abuse and neglect. Program success is measured in terms of improving the safety, permanence, and well-being of children and families served. The Budget includes \$665.8 million General Fund in 2022-23 for services to children and families in these programs. When federal and 1991 and 2011 Realignment funds are included, total funding for children's programs is in excess of \$8.5 billion in 2022-23.

Significant Adjustments:

- **Former Foster Youth Tax Credit**—The Budget proposes a refundable \$1,000 tax credit for young adults aged 18 through 25 who were former foster youth at age 13 or older. See the Revenue Estimates Chapter for more details.
- **Foster Youth Independence Pilot Program**—The Budget includes \$1 million one-time General Fund, available over two years, for county child welfare agencies to provide case management and support services for former foster youth utilizing federal housing choice vouchers in the Foster Youth Independence Pilot Program.
- **Family Finding and Engagement**—The Budget includes \$1 million (\$750,000 General Fund) ongoing for the Department to provide additional technical assistance and training to counties in meeting the need for children in foster care and unaccompanied minors to be connected to permanent family.
- **Resource Family Approval (RFA) Applications**—The Budget includes \$6.1 million (\$4.4 million General Fund) one-time, available over three years, for county child welfare agencies to address RFA applications that have pending or probationary approval for more than 90 days.
- **Helpline for California Parents and Youth**—The Budget includes \$4.7 million one-time General Fund, available over three years, to continue operation of a helpline for parents and youth. The helpline is a statewide triage and support system, established during the COVID-19 Pandemic, that helps deliver services to children, families, and caregivers by phone and online.

CHILD CARE

The Budget continues to support historic investments in child care and development programs included in the 2021 Budget Act. Child care and nutrition programs were transferred from the Department of Education to DSS, effective July 1, 2021, and the Administration will continue to build on key recommendations from the Master Plan for Early Learning and Care to transform the state's child care system. See the Early Childhood Chapter for more details.

Other Significant Adjustments:

- **California Food Assistance Program (CFAP) Expansion**—The Budget includes \$35.2 million General Fund for planning purposes, increasing to \$113.4 million General Fund annually in 2025-26, to expand the CFAP program to Californians age 55 and older regardless of immigration status, based on statute included with the 2021 Budget Act.
- **Food Bank Resources**—The Budget includes \$50 million one-time General Fund for the CalFood program to mitigate increases in food needs among low-income and food-insecure populations throughout the state.
- **Pass-Through of Child Support Collections for Formerly Assisted Families**—Under current law, families formerly receiving state assistance (such as CalWORKs) do not receive the full "pass-through" of child support payments collected by the state. The Budget would waive the state's share of recoupment, resulting in a total estimated pass-through to formerly assisted families of \$187 million annually. See the Early Childhood Chapter for more details.

DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with intellectual and developmental disabilities a variety of services, as an entitlement, that allow them to live and work independently or in supported environments. This Budget builds on historic DDS investments made in the 2021 Budget Act, including an estimated \$1.2 billion General Fund by 2025-26 to fully implement service provider rate reform, and prioritizes system stability, workforce development, service access and equity, and outcome-based initiatives that are grounded in person-centered principles. The Budget includes \$12.4 billion (\$7.5 billion General Fund) and estimates that approximately 408,000 individuals will receive services by the end of 2022-23.

Significant Adjustments:

- **Early Start: Part C to B Transitions**—\$65.5 million (\$45.1 million General Fund) to strengthen the transition process for three-year-old children with intellectual and/or developmental disabilities moving from the Early Start program (Part C of the federal Individuals with Disabilities Education Act (IDEA)) to special education (Part B of IDEA). This funding supports service coordinator-to-child caseload ratios, supports to preschools to increase inclusion of children served by regional centers, establishment of IDEA specialists at each regional center, and resources to facilitate interagency coordination. See the Early Childhood Chapter for more details.
- **Communications Assessments for Individuals Who Are Deaf+**—\$15 million (\$9 million General Fund) one-time funding to support communication assessments that will be used in developing individual program plans to improve services for individuals with intellectual and developmental disabilities who are deaf (Deaf+).
- **Work Activity Programs: New Service Model**—\$8.3 million (\$5 million General Fund) to establish a service model pilot program focused on expanding employment opportunities for individuals with intellectual and/or developmental disabilities who are currently served through Work Activity Programs or are recent high school graduates.

DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health (DPH) is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$5.7 billion (\$1.7 billion General Fund) in 2022-23 for the Department.

The COVID-19 Pandemic is the largest and most pervasive public health emergency in recent history. During recent decades, California has addressed smaller-scale outbreaks and threats, such as H1N1 influenza, Zika, Ebola, West Nile Virus, Measles, and Valley Fever. While each of these has led DPH to modify and refine its preparedness planning, the magnitude of the COVID-19 Pandemic has been unprecedented. No part of the state—whether by geography, by ethnicity, or by age—has been untouched.

During the COVID-19 Pandemic, federal support—including Federal Emergency Management Agency (FEMA) public assistance, Coronavirus Relief Funds, and various federal grants—has increased spending on public health response efforts by billions of dollars. In addition, the recently enacted American Rescue Plan Act of 2021 provides over \$1 billion to state and local public health efforts.

The chart below details approximately \$5 billion in selected federal grants that have flowed to the state and local governments to address critical public health needs. Local governments, who are key partners in these efforts, have received nearly \$2.8 billion in direct support from three of the largest grant awards. These funds generally are available over multiple fiscal years.

Selected Federal Public Health Grants Since March 2020

Grant	Recipient	Award Amount (In Millions)
Epidemiology and Laboratory Capacity Grants	State	\$213
Epidemiology and Laboratory Capacity Grants, Local Share	Los Angeles County	\$291
Epidemiology and Laboratory Capacity Grants, Local Share	State Allocation to Local	\$286
Epidemiology and Laboratory Capacity Grants	State	\$509
Epidemiology and Laboratory Capacity Grants	Los Angeles County	\$578
Epidemiology and Laboratory Capacity Grants	State Allocation to Local	\$1,188
Vaccine Preparedness Grants	State	\$179
Vaccine Preparedness Grants	State Allocation to Local	\$179
School Testing Grants	Los Angeles County	\$302
	TOTAL STATE	\$900
	TOTAL LOCAL (INCLUDING LA)	\$2,823
	TOTAL	\$3,723
Other Health-Related American Rescue Plan Act Grants		
Grant	Recipient	Award Amount (In Millions)
School Testing Grants	State	\$888
Vaccine Preparedness Grants	State	\$179
Vaccine Preparedness Grants	State Allocation to Local	\$179
	GRAND TOTAL	\$4,968

COVID-19 BUDGET ESTIMATE

Since the 2021 Budget Act was finalized there have been significant developments in the COVID-19 Pandemic, including new variants, Delta and Omicron, expanded vaccine approvals for children and youth, and boosters for the adult population. To continue the state's efforts through the Spring, the Budget reflects an additional \$1.2 billion for COVID-19 related expenditures including resources for testing and laboratory functions, vaccinations, contact tracing, medical surge staffing and state operations support. The Administration proposes early action to continue these efforts. Increased costs in 2021-22 reflect additional costs in all expenditure categories related to the continued COVID-19 response. The Budget reflects \$1.2 billion in projected costs in 2022-23 across the same expenditure categories.

The Administration will continuously evaluate DPH and local government spending of various federal COVID-19 grants. To the extent that federal resources, including prior

year unspent carryover funds, go unspent or are unlikely to be expended during the federal grant timeframe, DPH may reallocate these resources to meet the entire budget year need. See the Pandemic Response and Federal Assistance Chapter for more information.

FURTHER ENHANCING PUBLIC HEALTH AND SOCIAL DETERMINANTS OF HEALTH

The COVID-19 Pandemic has underscored the need for investment at DPH and at local health jurisdictions (LHJs) to respond to the needs of Californians during public health emergencies. As a result, the 2021 Budget Act included \$300 million ongoing General Fund, beginning in 2022-23, for investments in public health infrastructure. To determine where resources are needed most critically, DPH convened the Future of Public Health Workgroup. The Workgroup brought together local health executives, health officers, administrators, and administration leadership to provide an assessment of current and future trends, to consider public health system initiatives that might be needed to address recent challenges, and to prepare the state of California and its residents for a healthier future.

The Workgroup's extensive review informed the DPH state operations and local assistance spending plans.

STATE OPERATIONS FUNDING

The Budget includes \$100 million General Fund annually for DPH to strengthen statewide public health infrastructure and complement local funding so that state and local governments can collaboratively work together to improve the health of all Californians. Key investment areas include:

- Establishing an Office of Policy and Planning to conduct strategic planning and execution to address current and emerging threats to public health.
- Increasing resources for emergency preparedness by building on the all-hazards approach to improve capability.
- Increasing resources to support the expansion of the health care workforce to create sufficient capacity and upskill the current workforce to meet the new demands on the system.
- Enhancing communication and public education to effectively disseminate communications across a variety of channels, as well as to combat disinformation.

- Directing efforts towards community health improvement/population health management to improve physical and mental health by addressing health behaviors and a broad range of health factors, reducing health disparities, and focusing on community-wide prevention and resiliency.
- Supporting an overarching goal of creating an organizational culture that is centered on health equity, accountability and continuous quality improvement, with a focus on establishing clear and quantifiable performance targets for these public health initiatives.

The information technology (IT) and data systems created and modified during the pandemic are key components underpinning the public health infrastructure investments noted above. These IT systems are critical and essential for DPH and LHJs to effectively track and gather data on COVID-19 and other infectious diseases, perform contact tracing to minimize disease spread, efficiently administer life-saving vaccines, rapidly perform COVID-19 tests, and deploy personnel in all areas of the pandemic response.

In addition to the \$300 million spending plan for LHJs and DPH, the Budget includes \$235.2 million to maintain and operate those technology and data platforms and applications in 2022-23, both for the ongoing COVID-19 response and other potential disease outbreaks.

LOCAL ASSISTANCE FUNDING

The Budget includes \$200 million General Fund annually for LHJs to enhance their public health infrastructure. The intent is to drive collaboration across counties and leverage resources collectively in order to gain economies of scale. LHJs will receive a minimum base allocation of \$350,000, which is based on an LHJs' population-based share (50 percent), Race Ethnicity index (25 percent) and the Poverty Index (25 percent). DPH has collaborated with local partners to develop key metrics, minimum requirements for use of the funds, and reporting requirements. While LHJs may have more individualized investment areas of focus to meet their local community needs, additional resources should broadly include the following elements:

- **Workforce Expansion**—To strengthen local public health department staffing and to fortify priority areas identified during the pandemic.
- **Data Collection and Integration**—To standardize the collection and integration of data to develop actionable information that can guide local decision-making.

- **Community Partnerships**—To expand local partnerships with health care delivery systems and community-based organizations, including faith-based organizations, in order to marshal all resources to drive system change.

DIRECTING NON-PROFIT HOSPITAL COMMUNITY BENEFIT FUNDING TO COMMUNITY-BASED ORGANIZATIONS

State and federal community benefit laws require non-profit hospitals, which are exempt from most federal, state, and local taxes, to provide community benefits. Non-profit hospitals create Community Benefit Plans, which provide a description of the activities that the hospital has undertaken in order to address identified community needs within its mission and financial capacity. Current law does not prescribe a required level of community benefit to be provided by non-profit hospitals or direct how community benefits should be allocated.

Community-based organizations play a key role in addressing the social determinants of health and may be based in a sector other than health (including housing security, food security, economic stability, schools and childcare, community violence and hate crimes, youth criminal justice, transportation, environment and environmental justice, and community capacity building) which bring additional skills, perspectives, and community connections to public health interventions. The state intends to leverage this expertise to advance equity and reduce disparities in health outcomes.

To promote additional investment in community-based organizations that are focused on public health efforts, the Administration proposes to require non-profit hospitals demonstrate how they are making investments in local health efforts, specifically community-based organizations that address the social determinants of health. Additionally, the Administration proposes statutory changes that direct that 25-percent of a non-profit hospital's community benefit dollars go to these efforts, while giving the Department of Health Care Access and Information enforcement authority over these requirements.

MIGRATION AND BORDER COMMUNITIES

Since 2019, California has supported temporary shelter and support services for migrants and asylum seekers released from federal immigration custody in border communities. The state has expanded humanitarian efforts and support to border communities through testing, temporary shelter, vaccines and coordination for safe onward travel as migrants continue with their immigration proceedings in the United States. In April 2021,

\$360 million General Fund was provided from the Disaster Response Emergency Operations Account to Public Health to administer emergency response activities at the border, including but not limited to sheltering migrants, testing, and isolation/quarantine services. The Budget provides \$74 million General Fund to DPH to support continued COVID-19 Pandemic response and humanitarian efforts for newly arrived migrants and local border communities. See the General Government and Statewide Issues Chapter for more details.

CLIMATE CHANGE IMPACTS ON PUBLIC HEALTH

Climate change affects every Californian, but some communities and individuals experience worse health impacts from the crisis than others. People with existing health conditions, people who are homeless or inadequately housed, outdoor workers, certain communities of color, immigrants, the very young or elderly, pregnant people, people with disabilities, those who have low incomes, and those who are socially isolated face disproportionate risk of harm from climate impacts.

The Budget includes three initiatives in CalHHS departments to combat impacts of climate change:

- **Climate and Health Resilience Planning Grant Program**—\$25 million one-time General Fund for a grant program to bolster the actions of LHJs to more effectively mount responses to climate change-imposed health risks. Grant funds would be used for LHJs to coordinate with organizations (community-based organizations, faith-based organizations, non-profit organizations, and local governments) to develop regional Climate and Health Resilience Plans.
- **Establish a Climate and Health Surveillance Program**—\$10 million ongoing General Fund to establish a surveillance program to link public health and health care data sources, in order to create real-time notification for local public health jurisdictions, providers, and patients for emerging or intensified climate-sensitive diseases.
- **Community Health Workers**—\$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025 in areas such as climate health, homelessness, and dementia to meet the goal of a more ethnically and culturally inclusive workforce by 2025. See the Labor and Workforce Development Chapter for more details.

See the Climate Change Chapter for more information on the Administration's initiatives to combat climate change.

OTHER PUBLIC HEALTH

Significant Adjustments:

- **Expanding Home Visiting Services**—\$50 million ongoing General Fund to expand the California Home Visiting Program and the California Black Infant Health Program. See the Early Childhood Chapter for more details.
- **Early Literacy**—\$10 million General Fund to expand early literacy efforts by providing multilingual books to young children and early literacy programming for families with young children. See the Early Childhood Chapter for more details.
- **Public Health IT Systems**—130 positions and \$235.2 million General Fund in 2022-23, 140 positions and \$156.1 million General Fund in 2023-24, and 140 positions and \$61.8 million General Fund in 2024-25 and ongoing to DPH to maintain and operate IT platforms and applications stood up during the COVID-19 Pandemic and that are required to support public health services statewide.

DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals (DSH) administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients. The Budget includes \$2.6 billion (\$2.4 billion General Fund) in 2022-23 for support of the Department. The patient population is expected to reach 8,064 by the end of 2022-23, including patients receiving competency treatment in jail-based settings and community-based settings.

Significant Adjustments:

- **Incompetent to Stand Trial Solutions Workgroup**—The Budget includes statutory language authorizing the Department of Finance to augment DSH's budget by an additional \$350 million General Fund, building on the \$175 million already available in 2022-23 authorized by the 2021 Budget Act for the purposes of implementing solutions identified by the Incompetent to Stand Trial (IST) Workgroup to address the IST patient waitlist. See Felony Incompetent to Stand Trial Waitlist Solutions section above for more information.
- **Electronic Health Records (EHR) Phase 3**—The Budget includes \$2.4 million General Fund in 2022-23, \$19.8 million General Fund in 2023-24, \$20.8 million General Fund in

2024-25 and \$8.2 million General Fund in 2025-26 and ongoing to prepare for and support operation of the enterprise Continuum EHR project.

- **COVID-19 Impacts**—The Budget includes \$64.6 million General Fund in 2022-23 related to direct response costs to continue responding to and mitigating the impacts of the COVID-19 Pandemic.

DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

The Budget includes an additional \$310.5 million General Fund in 2022-23 for the Department of Health Care Access and Information (HCAI). HCAI collects data and disseminates information about California's healthcare infrastructure and publishes information about healthcare outcomes; promotes an improved healthcare workforce with loan and scholarship programs; monitors the construction, renovation, and seismic safety of hospitals and skilled nursing facilities; and provides loan insurance to assist the capital needs of California's non-profit healthcare facilities.

Significant Adjustments:

- **Care Economy: Workforce for a Healthy California for All**—\$1 billion one-time General Fund over three years to HCAI to strengthen and expand the state's health and human services workforce. See the Labor and Workforce Development Chapter for more information.
- **Clinical Infrastructure: Reproductive Health Care**—\$20 million one-time General Fund to provide scholarships and loan repayments to a variety of health care provider types that commit to providing reproductive health care services. See the Reproductive Health section above and the Labor and Workforce Development Chapter for more details.
- **Capital Infrastructure: Reproductive Health Care**—\$20 million one-time General Fund to assist reproductive health care facilities in securing their physical and information technology infrastructure and to enhance facility security. For more detail, see the Reproductive Health section above.
- **Office of Health Care Affordability**—Reappropriation of \$30 million General Fund for HCAI to create the Office of Health Care Affordability, which was originally included in the 2021 Budget Act. See the Health Care Affordability section above for more information.

- **Community Benefit Funding for Community-Based Organizations (CBOs)**—The Administration proposes statutory changes to direct 25 percent of non-profit hospitals' community benefit dollars to CBOs and gives HCAI enforcement authority over these requirements. See the Directing Non-Profit Hospital Community Benefit Funding to Community-Based Organizations section above for more detail.

1991 AND 2011 REALIGNMENT

Realignment shifted administrative and fiscal responsibility to counties for a variety of programs, along with a dedicated source of funding. 1991 Realignment provides funding for social and health programs and 2011 Realignment provides funding for local public safety programs. Additionally, both 1991 and 2011 Realignment provide funding for mental health and child welfare programs. The programs for 1991 and 2011 Realignment are funded through two sources: state sales tax and vehicle license fees. These fund sources are projected to increase by 6.4 percent from 2020-21 to 2021-22 and by 3.9 percent from 2021-22 to 2022-23.

1991 Realignment Estimate at 2022 Governor's Budget

(Dollars in Thousands)

Amount	2020-21 State Fiscal Year						
	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Totals
Base Funding							
Sales Tax Account	\$742,048	\$2,860	\$2,296,188	\$-	\$440,789	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,017,203	216,223	-	185,798	290,884	2,073,493
Subtotal Base	\$1,105,432	\$1,020,063	\$2,512,411	\$-	\$626,588	\$393,803	\$5,658,297
Growth Funding							
Sales Tax Growth Account:	\$10,839	\$62,193	\$113,784	\$115,314	\$-	\$148,661	\$450,791
Caseload Subaccount	-	-	(113,784)	-	-	-	(113,784)
General Growth Subaccount	(10,839)	(62,193)	-	(115,314)	-	(148,661)	(337,007)
Vehicle License Fee Growth Account	4,280	53,748	-	104,743	-	128,475	291,246
Subtotal Growth	\$15,119	\$115,941	\$113,784	\$220,057	\$-	\$277,136	\$742,037
Total Realignment 2020-21^{1/}	\$1,120,551	\$1,136,005	\$2,626,195	\$220,057	\$626,588	\$670,939	\$6,400,334
Change From 2021 Enactment	\$-	\$26,047	\$4,196	\$93,894	\$20,242	\$110,646	\$255,024
2021-22 State Fiscal Year							
Base Funding							
Sales Tax Account	\$752,888	\$85,621	\$2,409,972	\$115,314	\$420,222	\$251,580	\$4,035,595
Vehicle License Fee Account	367,663	1,053,168	212,632	96,898	182,713	412,396	2,325,471
Subtotal Base	\$1,120,551	\$1,138,789	\$2,622,604	\$212,212	\$602,934	\$663,976	\$6,361,066
Growth Funding							
Sales Tax Growth Account:	\$-	\$44,618	\$125,329	\$90,504	\$-	\$106,652	\$367,103
Caseload Subaccount	-	-	(125,329)	-	-	-	(125,329)
General Growth Subaccount	-	(44,618)	-	(90,504)	-	(106,652)	(241,774)
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
Subtotal Growth	\$-	\$44,618	\$125,329	\$90,504	\$-	\$106,652	\$367,103
Total Realignment 2021-22^{1/}	\$1,120,551	\$1,183,407	\$2,747,933	\$302,716	\$602,934	\$770,627	\$6,728,169
Change From 2021 Enactment	\$-	\$47,598	(19,354)	\$131,035	\$-	\$156,695	\$315,975
2022-23 State Fiscal Year							
Base Funding							
Sales Tax Account	\$752,888	\$137,542	\$2,535,301	\$205,818	\$412,919	\$358,231	\$4,402,698
Vehicle License Fee Account	367,663	1,053,168	212,632	96,898	182,713	412,396	2,325,471
Subtotal Base	\$1,120,551	\$1,190,710	\$2,747,933	\$302,716	\$595,631	\$770,627	\$6,728,169
Growth Funding							
Sales Tax Growth Account:	\$-	\$16,465	\$75,530	\$33,398	\$-	\$39,356	\$164,749
Caseload Subaccount	-	-	(75,530)	-	-	-	(75,530)
General Growth Subaccount	-	(16,465)	-	(33,398)	-	(39,356)	(89,219)
Vehicle License Fee Growth Account	-	13,354	-	27,088	-	31,921	72,363
Subtotal Growth	\$-	\$29,819	\$75,530	\$60,485	\$-	\$71,277	\$237,112
Total Realignment 2022-23^{1/}	\$1,120,551	\$1,220,529	\$2,823,463	\$363,202	\$595,631	\$841,905	\$6,965,281

^{1/}Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

2011 Realignment Estimate at 2022 Governor's Budget

(Dollars in Millions)

	2020-21		2021-22		2022-23	
	2020-21	Growth	2021-22	Growth	2022-23	Growth
Law Enforcement Services	\$2,633.8		\$2,936.5		\$3,160.0	
Trial Court Security Subaccount	567.0	30.3	597.3	22.4	619.6	13.5
Enhancing Law Enforcement Activities Subaccount	489.9	242.4	489.9	268.0	489.9	297.3
Community Corrections Subaccount	1,366.0	227.0	1,593.0	167.7	1,760.6	101.5
District Attorney and Public Defender Subaccount	41.6	15.1	56.7	11.2	67.9	6.8
Juvenile Justice Subaccount	169.4	30.3	199.6	22.4	222.0	13.5
Youthful Offender Block Grant Special Account	(160.0)	-	(188.6)	-	(209.7)	-
Juvenile Reentry Grant Special Account	(9.3)	-	(11.0)	-	(12.3)	-
Growth, Law Enforcement Services		545.0		491.6		432.5
Mental Health	1,120.6	28.1	1,120.6	20.8	1,120.6	12.6
Support Services	3,885.6		4,419.5		4,814.0	
Protective Services Subaccount	2,397.2	252.9	2,650.1	186.8	2,837.0	113.0
Behavioral Health Subaccount	1,488.4	281.0	1,769.4	207.6	1,977.0	125.6
Women and Children's Residential Treatment Services	(5.1)		(5.1)		(5.1)	
Growth, Support Services		562.1		415.2		251.2
Account Total and Growth	\$8,747.0		\$9,383.4		\$9,778.3	
Revenue						
1.0625% Sales Tax	8,002.7		8,612.5		8,985.1	
General Fund Backfill	12.0		12.9		6.0	
Motor Vehicle License Fee	732.3		757.9		787.2	
Revenue Total	\$8,747.0		\$9,383.4		\$9,778.3	

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).