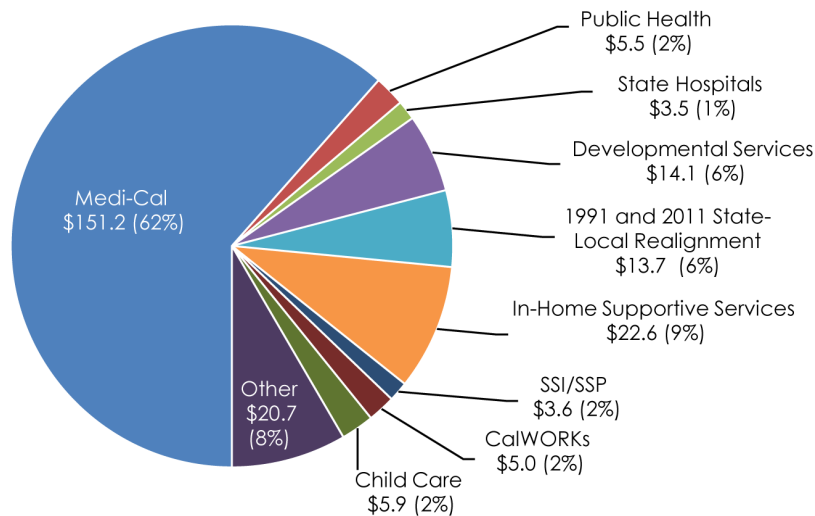


HEALTH AND HUMAN SERVICES

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. The May Revision includes \$245.7 billion (\$73.3 billion General Fund) for all health and human services programs in 2023-24.

Health and Human Services Proposed 2023-24 Funding^{1/}
All Funds
 (Dollars in Billions)



^{1/}Totals \$245.7 billion for support, local assistance, and capital outlay. This figure includes reimbursements of \$23.1 billion and excludes \$9.7 million 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

	2022-23 Revised	2023-24 Estimate	Change
Medi-Cal	15,272,800	14,180,900	-1,091,900
California Children's Services (CCS) ^{1/}	9,682	12,134	2,452
CalWORKs	331,707	340,433	8,726
CalFresh	2,937,135	2,966,760	29,625
SSI/SSP (support for aged, blind, and disabled)	1,127,189	1,108,625	-18,564
Child Welfare Services ^{2/}	94,792	94,085	-707
Foster Care	50,300	50,078	-222
Adoption Assistance	85,700	85,569	-131
In-Home Supportive Services	619,963	645,217	25,254
State Hospitals ^{3/}	7,873	9,379	1,506
Regional Centers	396,375	420,927	24,552
DDS State-Operated Residential and Community Facilities	322	312	-10
Vocational Rehabilitation	97,013	118,522	21,509

^{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.

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 includes \$135.4 billion (\$30.9 billion General Fund) in 2022-23 and \$151.2 billion (\$37.6 billion General Fund) in 2023-24. Medi-Cal is projected to cover approximately 15.3 million Californians in 2022-23 and 14.2 million in 2023-24—more than one-third of the state's population.

MANAGED CARE ORGANIZATION TAX AND MEDI-CAL PROVIDER RATE INCREASES

The May Revision proposes the renewal of the Managed Care Organization (MCO) Tax effective April 1, 2023, through December 31, 2026, resulting in \$19.4 billion in funding to help maintain the Medi-Cal program and support increased investments while minimizing the need for reductions to the program. The Administration proposes to use the MCO Tax revenue as follows:

- A total of \$8.3 billion over the proposed MCO Tax period in net General Fund offset to support the Medi-Cal program and achieve a balanced budget. The May Revision includes \$3.4 billion in net General Fund offset on a cash basis in 2023-24, which reflects an additional \$2.5 billion compared to the Governor's Budget resulting from the acceleration of the tax.
- Of the remaining \$11.1 billion, the Administration proposes to support Medi-Cal investments that improve access, quality, and equity in the Medi-Cal program over an 8- to 10-year period. Effective January 1, 2024, the May Revision proposes approximately \$237 million (\$98 million General Fund) in 2023-24 and roughly \$580 million (\$240 million General Fund) annually thereafter to increase rates to at least 87.5 percent of Medicare rates for primary care, obstetric care (including doulas), and non-specialty mental health services. This is inclusive of the Governor's Budget proposal to increase these rates as a condition of federal approval of the Designated State Health Program. The May Revision sets aside the remaining \$10.3 billion, including \$922.7 million in 2023-24 for future consideration.

The Administration will assess which payment reforms will deliver the greatest benefit to improve access and quality to the Medi-Cal program and develop a proposal for the 2024-25 Governor's Budget.

COMMUNITY ASSISTANCE, RECOVERY AND EMPOWERMENT (CARE) ACT

The May Revision includes \$128.9 million General Fund in 2023-24, \$234 million General Fund in 2024-25, \$290.6 million General Fund in 2025-26, and \$290.8 million General Fund in 2026-27 and annually thereafter for the Department of Health Care Services and Judicial Branch to implement the CARE Act (Chapter 319, Statutes of 2022). Of this amount, \$67.3 million General Fund in 2023-24, \$121 million General Fund in 2024-25, and \$151.5 million in 2025-26 and annually thereafter is to support estimated county behavioral health department costs for the CARE Act. Compared to the Governor's

Budget, the annual increase is between \$43 million and \$54.5 million to account for refined county behavioral health department cost assumptions based on engagement with county stakeholders, and additional one-time \$15 million General Fund for Los Angeles County start-up funding. For Judicial Branch and legal services funding, see the Criminal Justice and Judicial Branch Chapter.

SIGNIFICANT ADJUSTMENTS

- **2022-23 Budget Update**—The May Revision reflects lower Medi-Cal expenditures of approximately \$1.4 billion General Fund in 2022-23 compared to the Governor's Budget. The decrease is due primarily to revised implementation updates to the Children and Youth Behavioral Health Initiative, the Behavioral Health Continuum Infrastructure Program, and the Behavioral Health Bridge Housing Program.
- **Year-Over-Year Comparison**—The May Revision projects Medi-Cal expenditures of \$37.6 billion General Fund in 2023-24, an increase of \$6.7 billion General Fund compared with the revised 2022-23 expenditures. A majority of the increase is attributable to a one-time repayment to the federal government related to state-only populations, assumed loss of increased federal funding consistent with the end of the federal COVID-19 public health emergency, and the implementation of Medi-Cal to undocumented individuals aged 26-49 beginning January 1, 2024—partially offset by the MCO Tax renewal.
- **988 Suicide and Crisis Lifeline (AB 988)**—The May Revision includes \$15 million one-time 988 State Suicide and Behavioral Health Crisis Services Fund in 2023-24 to support eligible 988 call center behavioral health crisis services, for a total of \$19 million in 2023-24 and \$12.5 million in 2024-25 and ongoing.
- **Behavioral Health Bridge Housing Program**—The May Revision includes \$500 million one-time Mental Health Services Fund in 2023-24 in lieu of General Fund for the Behavioral Health Bridge Housing Program, effectively eliminating the Governor's Budget proposed delay of \$250 million General Fund to 2024-25. The May Revision shifts \$817 million General Fund from 2022-23 to the next three fiscal years to reflect updated programmatic timelines. The May Revision maintains the \$1.5 billion augmentation for the Behavioral Health Bridge Housing Program.
- **CalHOPE**—The May Revision maintains funding to temporarily extend support for the CalHOPE program. In lieu of General Fund, the May Revision includes \$50.5 million one-time Mental Health Services Fund in 2023-24.
- **Medi-Cal Drug Rebate Fund**—The May Revision includes \$222 million in General Fund savings in 2023-24 by bringing the reserve in the Medi-Cal Drug Rebate Fund to \$0.

A reserve of roughly \$200 million has typically been maintained in the fund to account for variations in actual rebate amounts and to reduce volatility. Chapter 38, Statutes of 2019 (SB 78) established this fund to deposit the non-federal share of drug rebate revenues for the Medi-Cal program.

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 \$48.1 billion (\$21.1 billion General Fund) for DSS programs in 2023-24.

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 \$8.6 billion (state, local, and federal funds) in 2023-24. The amount budgeted includes \$7.2 billion for CalWORKs program expenditures and \$1.4 billion for other programs such as 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 340,000 families in 2023-24.

SIGNIFICANT ADJUSTMENTS

- **CalWORKs Grant Increase**—The May Revision reflects a 3.6-percent increase to CalWORKs Maximum Aid Payment levels, effective October 1, 2023, which is estimated to cost \$111.2 million in 2023-24. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the Local Revenue Fund.

- **CalWORKs Single Allocation Early Reversion**—The May Revision proposes to revert approximately \$280 million General Fund from 2021-22 that is projected to go unexpended in the CalWORKs Single Allocation. The Administration will engage with the County Welfare Directors Association to determine the precise amount.

IN-HOME SUPPORTIVE SERVICES

The IHSS program provides personal care, domestic, and related services such as meal preparation and clean-up to eligible low-income individuals with disabilities, including children and adults, and low-income individuals who are ages 65 and over. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization. The May Revision includes \$22.4 billion (\$8.4 billion General Fund) for the IHSS program in 2023-24. Average monthly caseload in this program is estimated to be 645,000 recipients in 2023-24.

SIGNIFICANT ADJUSTMENT

- **Minor Recipient Provider Eligibility**—The May Revision includes \$60.7 million (\$27.9 million General Fund) ongoing to increase access to authorized services and better serve the IHSS program's minor recipients and their families.

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

The federal SSI program provides a monthly cash benefit to individuals with disabilities, including children and adults, and individuals who are ages 65 and over 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 older adults and disabled individuals who are ineligible for SSI/SSP due solely to their immigration status.

The May Revision includes \$3.6 billion General Fund in 2023-24 for the SSI/SSP program, including CAPI. The average monthly caseload in this program is estimated to be 1.1 million recipients in 2023-24. An 8.7-percent federal SSI cost-of-living adjustment and 10.3-percent SSP increase took effect on January 1, 2023, bringing the maximum SSI/SSP grant levels to \$1,134 per month for individuals and \$1,928 per month for couples. CAPI

benefits are equivalent to SSI/SSP benefits. The May Revision continues to include \$146 million General Fund in 2023-24 and \$292 million ongoing for an additional SSP increase of approximately 8.6 percent, effective January 1, 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 May Revision includes \$908.3 million General Fund in 2023-24 for services to children and families in these programs. When federal and both 1991 and 2011 Realignment funds are included, total funding for children's programs is over \$9.5 billion in 2023-24.

SIGNIFICANT ADJUSTMENT

- **Child Welfare Services-California Automated Response and Engagement System (CWS-CARES) Project**—The May Revision includes \$163.7 million (\$83.4 million General Fund), in alignment with Special Project Report 6, to support ongoing project development costs, and authority to access an additional \$36.6 million (\$18.3 million General Fund) should project activities accelerate. The CWS-CARES will replace the existing case management system to benefit state, local and tribal child welfare agencies and will align with state and federal requirements.

CHILD CARE AND DEVELOPMENT

DSS administers child care programs including CalWORKs Stages One, Two, and Three; the Emergency Child Care Bridge Program; Alternative Payment Programs; Migrant Child Care; General Child Care; Child Care for Children with Disabilities; and a variety of local supports for these programs, such as Resource and Referral and Local Child Care Planning Councils, quality improvement projects, and the Child and Adult Care Food Program. Families can access child care subsidies through centers that contract directly with DSS, local educational agencies, or vouchers from county welfare departments and Alternative Payment Programs. The May Revision includes \$6.6 billion (\$3 billion General Fund) for child care programs. The state continues to work with Child Care Providers United – California (CCPU) to negotiate a successor agreement to the current agreement expiring June 30, 2023.

SIGNIFICANT ADJUSTMENTS

- **Cost-of-Living Adjustment (COLA)**—The May Revision includes \$183.3 million General Fund for Child Care and Development Programs and \$840,000 for the Child and Adult Care Food Program to reflect a statutory COLA of 8.22 percent.
- **Revised Projection of 2022-23 General Child Care Funding**—The May Revision reflects anticipated one-time savings of \$588 million General Fund in 2022-23 based on estimated General Child Care expenditures that will go into contract by the end of the fiscal year. Expenditure authority for General Child Care is unchanged.
- **Child Care Family Fee Waivers and 2022-23 Stipends**—The May Revision reflects May 2023 budget legislation that allows DSS to use \$29.4 million in available federal funds to continue to waive family fees from July 1, 2023 to September 30, 2023, and authorizes DSS to use roughly \$169.2 million in available federal funds to provide temporary stipends to state-subsidized child care providers.

SOUTHERN BORDER HUMANITARIAN SUPPORT

Since 2019, California has funded respite sheltering services for migrants released from short-term federal immigration custody in the border region. These services were expanded in 2021 with increased public health needs related to COVID-19. California's model provides screening, support services, temporary shelter and onward travel coordination for migrants so they may safely continue with their immigration proceedings at their destination in the U.S. Since 2019, California invested roughly \$1 billion in these efforts in support of border communities and the well-being of migrants. The efforts began with a \$25 million investment in 2019-20.

With the end of the federal COVID-19 public health emergency, funding for border operations will be transferred to DSS from Department of Public Health. The May Revision includes one-time \$150 million General Fund in 2023-24 in the Rapid Response program for continued humanitarian efforts in partnership with local providers. The humanitarian mission will continue to fund respite sheltering for migrants and support their safe passage through border regions. The mission will prioritize sheltering services for vulnerable populations, including families with young children, people who are medically fragile, and particularly vulnerable individuals, including LGBTQ+ individuals, older individuals, and individuals with disabilities. Local jurisdictions, including immigrant affairs offices, will continue to be important partners in building additional capacity to shelter and welcome migrants as will community-based organizations.

The federal government is responsible for immigration policies and processing that rely on migrant sheltering in border communities. California therefore supports permanent federal investment by Congress in migrant sheltering operations as a critical component of border security infrastructure and welcoming people fleeing violence and persecution.

OTHER DEPARTMENT OF SOCIAL SERVICES SIGNIFICANT ADJUSTMENTS

- **California Food Assistance Program (CFAP) Expansion Update**—DSS continues to work towards implementing the CFAP expansion for income-eligible individuals aged 55 years or older, regardless of their immigration status. The Governor’s Budget indicated that the program may begin food benefits issuance in January 2027. Automation is anticipated to begin in July 2023 and food benefits issuance is now anticipated to begin in October 2025. The May Revision includes \$40 million General Fund for automation and outreach efforts.
- **County CalFresh Administration Rebase**—The May Revision includes \$406.5 million (\$159.5 million General Fund) to reflect a revised budgeting methodology for county CalFresh administration activities, pursuant to Chapter 537, Statutes of 2022 (AB 207).
- **Summer Electronic Benefit Transfer (EBT) Program**—The May Revision includes \$47 million (\$23.5 million General Fund) for outreach and automation costs to phase in a new federal Summer EBT program for children who qualify for free or reduced-price school meals beginning summer 2024.
- **Federal Reimbursement of Food Benefit Theft**—The federal Consolidated Appropriation Act of 2023 mandated the federal reimbursement of Supplemental Nutrition Assistance Program food benefit theft. The May Revision includes \$42.9 million federal financial participation for associated administration and automation activities.
- **California Statewide Automated Welfare System (CalSAWS) Interface**—The May Revision includes \$25 million General Fund, available over two fiscal years, to develop a bi-directional interface between CalSAWS and CWS-CARES that allows for data exchange necessary to make Title IV-E eligibility determinations.
- **Services for Survivors and Victims of Hate Crimes Augmentation**—The May Revision includes an additional \$10 million General Fund to support services for victims and survivors of hate crimes and their families and facilitate hate crime prevention measures in consultation with the Commission on Asian and Pacific Islander American Affairs.

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. The Budget includes \$14.1 billion (\$8.5 billion General Fund) and estimates that approximately 421,000 individuals will receive services in 2023-24.

SIGNIFICANT ADJUSTMENTS

- **Service Provider Rate Reform: Independent Living Services**—The May Revision includes \$15 million (\$8.5 million General Fund) beginning January 2024 to adjust Independent Living Services rate assumptions to align the types of services provided with more equivalent occupations, such as teachers, social and human service assistants, and rehabilitation counselors. Resources increase to an estimated ongoing \$60 million (\$34 million General Fund) beginning in 2024-25.
- **Coordinated Family Support Services**—The May Revision includes \$18 million (\$10.8 million General Fund) to continue funding the Coordinated Family Support pilot program through June 2024, which is currently funded through the Home and Community-Based Services (HCBS) Spending Plan. The program is designed to assist adults living with their families in coordinating the receipt and delivery of multiple services, including generic services.
- **Cost-Sharing and Fee Programs**—The May Revision continues suspension of the Annual Family Program Fee and the Family Cost Participation Program until December 31, 2023, to allow regional centers to restart assessments. Prior to the 2022 Budget Act, both programs had been suspended during the COVID-19 Pandemic through department directive. DDS conducted stakeholder discussions and will report on those conversations as part of the May Revision.

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 May Revision includes \$5.5 billion (\$980.9 million General Fund) in 2023-24 for the Department.

COVID-19 Response Ramp Down—With its robust network of community-based organizations, healthcare partners, and federal, state, and local public health and

governmental agencies, California's COVID-19 response was able to address statewide health impacts and disparities. From the beginning of the pandemic, DPH used science and data to better understand COVID-19 and mitigate its impacts on the public. With the end of the state of emergencies at the federal and state level, DPH will continue to rely on science and data to ramp down COVID-19 direct response activities while maintaining a steady state of emergency preparedness. California is reducing emergency COVID-19 support across the state, as many of these activities continue to be integrated into the healthcare delivery system, and will continue to provide support for California's most vulnerable communities. Looking ahead, the state's significant investments in public health infrastructure will serve as the groundwork to improve the state's response to future public health emergencies.

Foundation for the Future of Public Health Update—The May Revision maintains \$300 million ongoing General Fund to modernize state and local public health infrastructure and transition to a more resilient public health system. This investment is anchored in an expansion of the public health workforce and increasing capacity in foundational public health areas:

- In 2022-23, over 800 new public health staff were hired at the state and local level, with hundreds more actively under recruitment.
- DPH has established new systems to strengthen the Department's capacity to address current and emerging public health priorities, including the Office of Policy and Planning and the Regional Public Health Office.

SIGNIFICANT ADJUSTMENTS

- **Public Health Workforce Investments Restoration**—The May Revision restores funding of \$49.8 million General Fund over four years for various public health workforce training and development programs.
- **2023-24 COVID-19 Response**—The May Revision reduces resources for COVID-19 response by \$50 million General Fund. The decrease is driven in part by a ramp down of emergency response activities across the state consistent with the end of the state of emergencies at the federal and state level.
- **AIDS Drug Assistance Program Rebate Fund Loan**—The May Revision proposes a loan of \$400 million from the AIDS Drug Assistance Program Rebate Fund to the General Fund. As part of Control Section 13.40, a budgetary loan from the AIDS Drug Assistance Program Rebate Fund to the General Fund is proposed from idle

resources not required for currently projected operational or programmatic purposes.

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 May Revision includes \$3.5 billion (\$3.3 billion General Fund) in 2023-24 to support the Department. The patient population is expected to reach 9,379 by the end of 2023-24, including patients receiving competency treatment in jail-based settings and community-based settings.

SIGNIFICANT ADJUSTMENTS

- **Budget Update**—Compared to the Governor's Budget, the May Revision reflects a decrease of \$35.7 million General Fund in 2022-23 and \$33.2 million General Fund 2023-24; these totals do not include reappropriations. Caseload and bed adjustments are relatively flat for 2022-23 and 2023-24 overall, and the waiting list for Incompetent to Stand Trial (IST) beds continues to decline to 992, with 200 of those receiving early stabilization services according to the most recent data.
- **COVID-19 Impacts**—The May Revision reduces COVID-19 response expenditures by \$19.7 million in 2022-23 (from \$83.1 million to \$63.4 million) and \$9.2 million in 2023-24 (from \$51.2 million to \$42.1 million) based on updated COVID-19 practices in accordance with Centers for Disease Control and Department of Public Health guidance.
- **Patient-Operated Expenses and Equipment**—The May Revision includes \$26.6 million General Fund, an increase of \$6.1 million General Fund in 2023-24 compared to the Governor's Budget, for patient-driven support costs.
- **COVID-19 Workers' Compensation Funds**—The May Revision reflects a decrease of \$8 million General Fund in 2022-23 for unspent workers' compensation funding previously authorized for COVID-19 related claims.

DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION

The Department of Health Care Access and Information (HCAI) is committed to expanding equitable access to health care for all Californians—improving the health workforce, ensuring health care facilities are safe and reliable, and analyzing health information that can help make care more effective and affordable. The Budget includes \$371.6 million (\$189.1 million General Fund) in 2023-24 to support the Department.

SIGNIFICANT ADJUSTMENTS

- **Distressed Hospital Loan Program**—The May Revision includes up to \$150 million one-time General Fund in total over 2022-23 and 2023-24 for the Distressed Hospital Loan Program to provide interest-free cashflow loans to not-for-profit hospitals and public hospitals in significant financial distress or to governmental entities representing a closed hospital, for purposes of preventing the closure of, or facilitating the reopening of, those hospitals. Funding for this program is from statewide General Fund savings at the May Revision and will not require new spending above the Governor’s Budget.
- **CalRX and Reappropriation**—The May Revision includes a \$2 million one-time General Fund reappropriation from the Capital Infrastructure Security Program, and allows the use of these funds for reproductive health care if necessary. These funds are available from the one-time \$20 million General Fund from the capital Infrastructure Security program included in the 2022 Budget Act, which is not fully subscribed. This includes statutory changes to provide flexibility for the CalRX Program to procure various pharmaceutical drugs, such as Mifepristone or Misoprostol if necessary, to address urgent and emerging reproductive health care needs.
- **Temporarily Borrowing from Hospital Building Fund Reserve**—The May Revision proposes to borrow \$150 million from the reserve of the fee-supported Hospital Building Fund to be repaid in 2026-27. As part of Control Section 13.40, a budgetary loan from the Hospital Building Fund to the General Fund is proposed from idle resources not required for currently projected operational or programmatic purposes.
- **Temporarily Borrowing from California Health Data and Planning Fund**—The May Revision proposes to borrow \$15 million from the California Health Data Planning Fund reserve to be repaid in 2026-27. As part of Control Section 13.40, a budgetary

loan from the California Health Data and Planning Fund to the General Fund is proposed from idle resources not required for currently projected operational or programmatic purposes.

OTHER HEALTH AND HUMAN SERVICES SIGNIFICANT ADJUSTMENTS

- **Safety Net Reserve Drawdown**—The May Revision assumes the Safety Net Reserve is used to support health and social services programs in 2023-24, resulting in savings of \$450 million General Fund in 2023-24.
- **Opioid and Fentanyl Response**—Building on the opioid response investments proposed at the Governor’s Budget, the May Revision includes an additional \$141.3 million in Opioid Settlements Fund over four years for the Department of Health Care Services to support the Naloxone Distribution Project, for a total of \$220.3 million over four years. Additionally, the May Revision includes \$30 million one-time Opioid Settlements Fund in 2023-24 to support the development of a lower cost, generic version of a naloxone nasal spray product through the CalRx Naloxone Access Initiative at the Department of Health Care Access and Information. This CalRx partnership will enable the state to make naloxone more accessible statewide.
- **Child Support Pass-Through to Formerly Assisted Families Update**—Pursuant to existing law, implementation of the Child Support Pass-Through to Formerly Assisted Families is contingent upon completing necessary automation changes in the Child Support Enforcement System. The Department of Child Support Services estimates an implementation date of April 2024. The additional time is necessary due to a greater degree of system change complexity than previously anticipated. The revised implementation date results in approximately \$70 million of General Fund revenue in the May Revision.
- **Advancing Older Adult Behavioral Health**—The May Revision includes \$20 million General Fund in 2023-24, \$20 million General Fund in 2024-25, and \$10 million General Fund in 2025-26 at the California Department of Aging to support the continuation of the Older Adult Friendship Line—a targeted media campaign for older adults, and competitive grants to local jurisdictions to build organizational capacity to identify and address older adult behavioral health and substance use disorder needs.
- **Health and Human Services Innovation Accelerator Initiative**—The May Revision includes an augmentation of \$9 million General Fund (\$10 million in total) at the Health and Human Services Agency to establish a new public-private partnership

that will create the environment for researchers and developers to create solutions to the greatest health challenges facing Californians, such as targeting diabetes-related morbidity and mortality, addressing disparities in maternal and infant mortality faced by women and their babies, and preventing and mitigating infectious disease. The Initiative will look to accelerate the translation of research and development into innovations that help to directly address disparities and inequities in California's safety-net programs.

- **Home and Community-Based Services Spending Plan Extension**—The May Revision includes a six-month extension until September 30, 2024 for specified programs such as the IHSS Career Pathways Program and the Senior Nutrition Infrastructure Program to fully spend allocated funding based on critical programmatic needs.

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 while 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 3.1 percent from 2021-22 to 2022-23 and by 0.1 percent from 2022-23 to 2023-24.

1991 Realignment Estimate at 2023 May Revision

(Dollars in Thousands)

2021-22 State Fiscal Year (Actual)							
Amount	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Total
Base Funding							
Sales Tax Account	\$752,888	\$87,215	\$2,409,972	\$115,314	\$418,627	\$251,580	\$4,035,595
Vehicle License Fee Account	367,663	1,070,952	216,223	104,743	185,798	419,359	2,364,738
Subtotal Base	\$1,120,551	\$1,158,167	\$2,626,195	\$220,057	\$604,425	\$670,939	\$6,400,333
Growth Funding							
Sales Tax Growth Account:	\$-	\$109,354	\$70,065	\$221,816	\$-	\$261,392	\$662,627
Caseload Subaccount	-	-	(70,065)	-	-	-	(70,065)
General Growth Subaccount	-	(109,354)	-	(221,816)	-	(261,392)	(592,562)
Vehicle License Fee Growth Account	-	364	-	737	-	869	1,970
Subtotal Growth	\$-	\$109,718	\$70,065	\$222,553	\$-	\$262,261	\$664,597
Total Realignment 2021-22^{1/}	\$1,120,551	\$1,267,885	\$2,696,259	\$442,610	\$604,425	\$933,200	\$7,064,929
2022-23 State Fiscal Year (Projected)							
Base Funding							
Sales Tax Account	\$752,888	\$149,119	\$2,480,037	\$337,129	\$466,077	\$512,972	\$4,698,222
Vehicle License Fee Account	367,663	1,071,315	216,223	105,480	185,798	420,228	2,366,708
Subtotal Base	\$1,120,551	\$1,220,434	\$2,696,259	\$442,610	\$651,875	\$933,200	\$7,064,929
Growth Funding							
Sales Tax Growth Account:	\$-	\$6,672	\$66,200	\$13,534	\$-	\$15,949	\$102,355
Caseload Subaccount	-	-	(66,200)	-	-	-	(66,200)
General Growth Subaccount	-	(6,672)	-	(13,534)	-	(15,949)	(36,155)
Vehicle License Fee Growth Account	-	23,553	-	47,774	-	56,298	127,625
Subtotal Growth	\$-	\$30,225	\$66,200	\$61,309	\$-	\$72,247	\$229,981
Total Realignment 2022-23^{1/}	\$1,120,551	\$1,250,659	\$2,762,459	\$503,918	\$651,875	\$1,005,447	\$7,294,910
2023-24 State Fiscal Year (Projected)							
Base Funding							
Sales Tax Account	\$752,888	\$-	\$2,537,092	\$346,700	\$619,636	\$527,021	\$4,783,337
Vehicle License Fee Account	367,663	1,210,828	216,223	153,255	69,837	476,527	2,494,333
Subtotal Base	\$1,120,551	\$1,210,828	\$2,753,315	\$499,955	\$689,473	\$1,003,548	\$7,277,670
Growth Funding							
Sales Tax Growth Account:	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Caseload Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	3,989	-	8,092	-	9,536	21,618
Subtotal Growth	\$-	\$3,989	\$-	\$8,092	\$-	\$9,536	\$21,618
Total Realignment 2022-23^{1/}	\$1,120,551	\$1,214,818	\$2,753,315	\$508,047	\$689,473	\$1,013,084	\$7,299,288

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

2011 Realignment Estimate at 2023 May Revision
(Dollars in Millions)

	2021-22	2021-22 Growth	2022-23	2022-23 Growth	2023-24	2023-24 Growth
Law Enforcement Services	\$2,936.5		\$3,336.8		\$3,422.8	
Trial Court Security Subaccount	597.3	40.0	637.3	8.6	645.9	1.0
Enhancing Law Enforcement Activities Subaccount ^{1/}	489.9	258.1	489.9	347.3	489.9	336.8
Community Corrections Subaccount	1,593.0	300.3	1,893.2	64.5	1,957.7	7.5
District Attorney and Public Defender Subaccount	56.7	20.0	76.7	4.3	81.0	0.5
Juvenile Justice Subaccount	199.6	40.0	239.7	8.6	248.3	1.0
<i>Youthful Offender Block Grant Special Account</i>	<i>(188.6)</i>		<i>(226.4)</i>		<i>(234.6)</i>	
<i>Juvenile Reentry Grant Special Account</i>	<i>(11.0)</i>		<i>(13.2)</i>		<i>(13.7)</i>	
Growth, Law Enforcement Services		658.5		433.3		346.8
Mental Health ^{2/}	1,120.6	37.2	1,120.6	8.0	1,120.6	0.9
Support Services	4,419.5		5,125.9		5,277.5	
Protective Services Subaccount	2,650.1	334.6	2,984.7	71.8	3,056.5	8.4
Behavioral Health Subaccount	1,769.4	371.7	2,141.1	79.8	2,221.0	9.3
<i>Women & Children's Residential Treatment Services</i>	<i>(5.1)</i>		<i>(5.1)</i>		<i>(5.1)</i>	
<i>County Intervention Support Services Subaccount ^{3/}</i>	<i>-</i>		<i>(3.7)</i>		<i>-</i>	
Growth, Support Services		743.5		159.6		18.6
Account Total and Growth	\$9,878.5		\$10,176.1		\$10,186.3	
Revenue						
1.0625% Sales Tax	9,117.5		9,319.1		9,338.8	
General Fund Backfill ^{4/}	13.0		19.8		20.7	
Motor Vehicle License Fee	748.0		837.2		826.7	
Revenue Total	\$9,878.5		\$10,176.1		\$10,186.3	

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).

^{1/} Base Allocation is capped at \$489.9 million. Growth does not add to the base.

^{2/} Base Allocation is capped at \$1,120.6 million. Growth does not add to the base.

^{3/} This chart reflects a fiscal year 2022-23 transfer of \$3.7 million from Behavioral Health Subaccount Fund 3217 to the County Intervention Support Services Subaccount Fund 3325 pursuant to Government Code section 30027.10.

^{4/} General Fund backfill pursuant to Revenue and Taxation Code sections 6363.9 and 6363.10; Chapter 690, Statutes of 2019; Chapter 78, Statutes of 2020; Chapter 82, Statutes of 2021; Chapter 225, Statutes of 2022; and Chapter 251, Statutes of 2022.