

Governor's Proposed State Budget 2020-21 Snapshot

Areas of Interest in the Intersection of Criminal Justice & Behavioral Health Systems

Below are excerpts from the Governor's proposed budget. To review the full proposed budget summary and related information for 2020-21 visit: <http://www.ebudget.ca.gov/>

Key Elements of the \$222.2 Billion Proposed Budget:

- ❖ With \$18 billion in reserves, a 3.9% unemployment rate, and gross domestic product (GDP) of nearly \$3 trillion, the budget aims to address economic inequalities while still reducing liabilities and building more reserves needed for the next economic downturn.
- ❖ Continues commitment to address the affordability crisis by tackling the rising cost of health care and housing.
- ❖ Steps up efforts to confront the homeless crisis with a new fund to more directly and immediately support efforts in communities (see below).
- ❖ Builds on 2019's investments to strengthen capabilities to prevent and respond to fires and other emergencies.
- ❖ Continues to implement a "parent's agenda" that promotes opportunities for all with significant investments in early education, special education and support for low performing schools.
- ❖ Protects the state's environment, aiming to mitigate the effects of climate change with a new Climate Catalyst Fund and other investments in small businesses and emerging industries.
- ❖ Reimagines the criminal justice system by continuing investments in rehabilitation, reentry, restorative justice, community-based violence prevention, substance use disorder treatment, prison literacy and pre-trial diversion.
- ❖ Supports the state's sustainable growth by preparing for the changing economy through expanding access to higher education, aligning the state's workforce training programs with needed future skills and investing in infrastructure over the next five years.

Proposed Budget Contains Themes Similar to 2019-20:

- ❖ Investments in prevention and early intervention, especially early education, and providing equal opportunities for all Californians including access to quality healthcare,
- ❖ Dedication to serving those who are most vulnerable in the community through integrated services and supports rather than defaulting to institutions for complex cases,
- ❖ Investments in *Education* and *Health Care*, with a focus on reaching those living in the margins, and
- ❖ While there are several new initiatives that demonstrate a stronger role for the state in historically local and federal government policy areas – like

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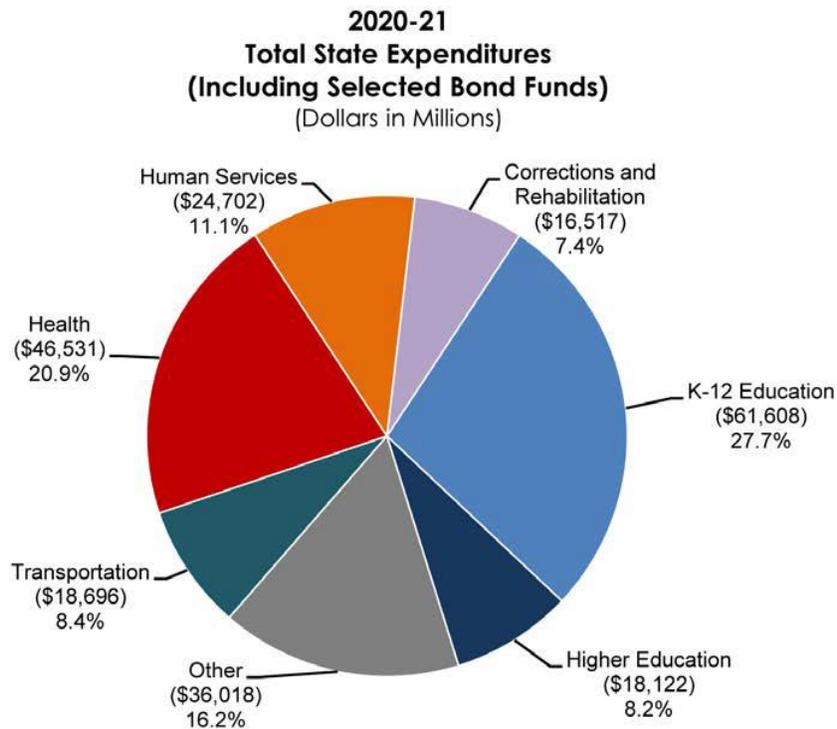
homelessness – budget investments demonstrate restraint by primarily being one-time or limited time state general fund investments.

2020-21 State Budget Proposes Investments to Tackle Homelessness with a Focus on Reaching Individuals with Significant Behavioral Health Issues

- ❖ **\$750 million fund to get individuals off streets and into supportive services quickly.** The budget includes the creation of a *California Access to Housing and Services Fund* in the state Department of Social Services (DSS) to (a) pay rent for individuals facing homelessness; (b) support regions to bring on more dwelling units and (c) to help stabilize board and care facilities/homes. Unlike other state efforts, this money will go directly to service providers. The Governor proposes to seed this new fund with \$750 million in new one-time general fund, and calls on philanthropy and the private sector to step up as well.
- ❖ **Root Causes of California Homelessness Study.** Through the signing of the executive order, the California Health and Human Services Agency, alongside academic researchers at UCSF and CA Policy Lab, are conducting a comprehensive, data-driven study to better understand the root causes of homelessness. This will be an interview survey that will look to better understand the needs of individuals who are experiencing homelessness across the state.
- ❖ **Identify State-Owned Land to Temporarily House the Homeless.** According to the executive order, the Department of General Services will identify properties from the digitized inventory of excess state lands created by EO N-06-19 that can be used by local partners, including counties, cities, or non-profit agencies, on a short-term emergency basis to house individuals who are homeless.
 - Caltrans will share a model lease template to allow local partners to use Caltrans property adjacent to highways or state roads on a short-term emergency basis to house individuals who are homeless, building on recent partnerships with the cities of Los Angeles, San Jose and San Francisco.
 - The Office of Statewide Health Planning and Development will work with local jurisdictions and provide entities to conduct an initial assessment of vacant and decommissioned hospitals and health care facilities that can be used by local partners on a short-term emergency basis to house the homeless.
 - The California Department of Food and Agriculture, in consultation with the Department of Housing and Community Development, the Department of Social Services and the Office of Emergency Services, will

conduct an initial assessment of fairgrounds near jurisdictions where a shelter crisis is in effect.

- ❖ **Stand Up Temporary Camp Trailers from the State Fleet.** By the signing of the executive order the Department of General Services will supply 100 camp trailers from the state fleet, and the Emergency Medical Services Authority to deploy modular tent structures, to provide temporary housing and delivery of health and social services across the state. These trailers will be made available to local partners to operate where certain criteria are met.
- ❖ **Establish a Multi-Agency State Crisis Response Team.** Through the executive order the Governor will create a state crisis response team to assist local governments in addressing street homelessness, comprised of the Homeless Coordinating and Financing Council, the Business, Consumer Services, and Housing Agency; the Government Operations Agency; the Health and Human Services Agency; the Labor and Workforce Development Agency; and the State Transportation Agency. The strike team shall provide technical assistance and targeted direct support to counties, cities, and public transit agencies seeking to bring individuals experiencing homelessness indoors, and support those entities in bringing those individuals indoors and connecting them with appropriate health, human, and social services and benefits.
- ❖ **Transform Medi-Cal.** The Budget includes \$695 million (including federal funds) growing to \$1.4 billion by 2022 for an effort to transform Medi-Cal to boost preventative health care that brings down the cost of health care – all designed to pull down matching federal funds to do so. This expansion proposal formerly known as CalAIM and now called *Medi-Cal Healthier California for All* would specifically address many challenges of chronically unsheltered populations – providing funding for tenancy support services, housing navigation services, recuperative care, and could include targeted rental assistance if housing insecurity is tied to inappropriately high utilization of costly health care services. This reform will also change how counties operate behavioral health services, making them more closely integrated and act more like physical health services.
- ❖ **Community Care Collaborative Pilot (CCCP).** The budget includes \$24.6 million in 2020-21 and \$364.2 million over 6-years for the Department of State Hospitals to implement efforts in three pilot counties to place individuals with mental health needs, specifically those designated Incompetent to Stand Trial, into stable placements in the community instead of state hospital placements.



Proposed Spending by Agency/ Departments of Interest to CCJBH:

I. Health and Human Services

The budget includes \$167.9 billion (\$47.4 billion general fund and \$120.5 billion other funds) for all health and human services programs. New and significant proposals include:

- Establishing the Office of Health Care Affordability charged with increasing price and quality transparency, developing specific strategies and cost targets for the different sectors of the health care industry, and financial consequences for entities that fail to meet these targets.
- Reducing the cost of prescription drugs by 1) expanding DHCS’s authority to consider the best prices offered by manufacturers internationally when conducting negotiations for state supplemental rebates; 2) negotiating supplemental rebates on behalf of targeted populations outside the Medi-Cal program; 3) increasing the state’s purchasing program; 4) establishing a single market for drug pricing to combine purchasing power and 5) establishing the state’s own generic drug label.
- Establishing the Department of Early Childhood Development to promote high quality, affordable and unified early childhood system that improves program integration and coordination with other major programs serving young children.

- Providing \$10 million one-time for the development of an adverse childhood experiences cross sector training program that will be accredited by the Office of the Surgeon General as well as a statewide public awareness campaign regarding ACES.
- Establishing a Center for Data Insights and Innovation by integrating the Office of Innovation, the Office of the Patient Advocate and the Office of Health Information Integrity to achieve the following outcomes: 1) improve the use and quality of data for program planning, policy development, and rigorous research and evaluation; 2) increase development and use of evidence-based programs and maximize federal reimbursements; 3) enhance the capacity of the state to link data to inform policy and decision making; 4) increase collaboration between university-based researchers and state staff to translate data into knowledge; 5) improve the rigor, transparency, and reproducibility of research with CHHS data to create better services that generate more equitable outcomes for all Californians.
- Establishing the Behavioral Health Task Force that will bring together relevant state departments, counties, consumers, health plans, providers, and other stakeholders to review existing policies and programs to improve the quality of care, and coordinate system transformation efforts to better prevent and respond to the impacts of mental illness and substance use disorders.
- Working with CHHS, the Department of Managed Health Care will work with health plans, providers, patient representatives, and other parties to update and strengthen its enforcement of behavioral health parity laws and other health plan requirements focusing on timely access, network adequacy, benefit design and plan policies.
- Re-examining the Mental Health Services Act (MHSA) after 15 years, noting that “community behavioral health needs have evolved and the Act should be updated to reflect this knowledge”. Areas identified to be examined include whether or not the Act should support providing substance use services and whether or not the Act is focusing enough on individuals with mental illness who are experiencing homelessness and criminal justice system involvement. The Act will also be examined regarding if there is enough focus on early intervention services for youth. The administration intends to submit a proposal regarding MHSA changes as early as this spring.

Department of Health Care Services

- \$695 million, to grow, to \$1.4 billion in 2020-2021, and 2022-2023, to fund Medi-Cal Healthier California for All (MHCFA), which builds upon the Whole Person Care, Coordinated Care Initiative, and other model programs initiated as part of prior demonstration waivers. This encompasses the current CalAIM proposals

introduced in late 2019. The proposed budget offers several promising proposals:

- Funding for enhanced care management and in lieu of services which are services that would reach and serve individuals in the intersection of behavioral health, criminal justice and homelessness
- Funding to support necessary infrastructure so successful models like Whole Person Care can be implemented on a statewide basis
- Funding for DHCS to create a Behavioral Health Quality Improvement Program (\$45.1 million in 2020-2021 and \$42 million in 2021-2022) that will provide resources to county-operated community mental health and substance use disorder system to incentivize system changes and process improvements. Improvement include enhanced data-sharing capabilities for care coordination.
- \$426 million (\$62.6 million general fund) to continue to support the Drug Medi-Cal Organized Delivery System. In current year, \$89.2 million has been supporting the Medication Assisted Treatment Expansion Project, which has added over 650 access points across the health care and criminal justice system.
- \$80.5 million (\$64.2 million general fund) to make additional progress towards universal coverage by expanding eligibility for full scope Medi-Cal benefits to all person aged 65 and older, regardless of immigration status no sooner than January 2021. Full implementation costs are projected to be approximately \$350 million (\$320 million general fund) in 2022-23 and on-going.

Department of Social Services

- \$750 Million to seed the California Access to Housing and Services Fund (see *State Budget Proposes Investments to Tackle Homelessness*).
- 3.1% increase to CalWORKS Maximum Aid Payment levels (\$73.6 million in 2020-21 and \$98.1 million in 2021-22), which is part of the proposed budget package to create more supports for low-income families.
- \$2.66 billion in general fund for 2020-21 for the SSP/SSI program which represents a 1.6% decrease. Effective January 2020 the maximize SSI/SSP grant levels are \$943 per month for individuals and \$1,583 per month for couples. Due to projected growth in the Consumer Price Index of 1.7%, monthly grant levels will increase by \$13 and \$20 for individuals and couples.

Department of Developmental Services

- The composition of regional center consumers has changed significantly with growing ethnic diversity, an increase of 48% in behavioral health needs, and those with an autism spectrum diagnoses has grown by 177%. DDS, in collaboration with the Developmental Services Task Force will make recommendations on how to reform the financing and streamlining of services

to improve quality and outcomes with a funding structure that supports transparency and accountability.

- Establishes a Developmental Services Performance Incentive Program with \$78 million (\$60 million general fund) that will provide incentive payments to Regional Centers to increase the quality of services and address disparities while improving data collection.

Department of State Hospitals

- The Department of State Hospitals (DSH) will implement a Community Care Collaborative Pilot Program, which is a 6-year pilot program in 3 counties that will provide incentives to treat and serve individuals deemed incompetent to stand trial in the community. The total over 6 years is estimated to be \$364.2 million and will support the development of community-based treatment options for individuals most at risk of arrests, re-arrests and cycling in and out of mental health and criminal justice institutions.
- \$8.9 million in general fund in 2020-21 and \$11.2 million in general fund annually to expand the Jail-Based Competency Treatment program to eight additional counties.

Department of Youth and Community Restoration

- The state will invest \$289.7 million in 2020-21 and \$295.6 million on-going in transforming the Division of Juvenile Justice to the Department of Youth and Community Restoration and will provide trauma informed and developmentally appropriate services to youth who are involved in the justice system. The proposed funding level reflects the establishment of a new training academy and continues funding for therapeutic communities (\$8 million general fund on-going).

Department of Public Health

- \$3.6 million one-time general fund to establish a coordination and training initiative through the Alzheimer Disease Centers to develop a “train the trainer” program that will help family caregivers navigate the complexities of the disease.
- \$32.9 million in additional general fund to the Licensing and Certification Program Fund, with \$24.5 million in 2020-21 and \$5.4 million in 2022-23 to better complete licensure and re-licensure workload and the timely investigation of complaints to mitigate future backlogs.

II. Public Safety

Department of Corrections and Rehabilitation

- \$13.4 billion in total funding for the department with an average daily population of 124,655.

- The state will invest \$552.7 million general fund for new and expanded rehabilitative and reentry programs that build upon the 2019 budget act investments that included inmate literacy, SUD treatment and new community reentry facilities.
 - The budget includes \$6.2 million general fund in 2020-21 and \$10.1 million ongoing to establish the Youth offender Rehabilitative Communities, which is geared towards criminal justice involved youth under the age of 26, being connected to mentors and providing rehabilitative and educational programs targeted to their needs.
 - \$1.8 million general fund in 2020-21 and \$3.5 million ongoing to expand post-secondary/higher education opportunities for criminal justice involved individuals.
 - \$4.6 million ongoing general fund to expand inmate visitation to establish and maintain a continuum of social support, including parent-child relationships that is critical for successful reentry.
- \$21.4 million general fund in 2020-21 and \$19.8 million ongoing general fund in 2023-24 to enhance staff development and support for creating safe, secure and rehabilitative prison environments.
- \$3.8 million one-time general fund to improve the safety of facilities to prevent inmate suicides, particularly for individuals experiencing mental health crises.
- The budget dedicates \$3.6 billion general fund to improve the delivery of health care services to inmates.
 - \$9.9 million general fund 2020-21 and \$11.8 million ongoing general fund in 2021-22 to enhance quality management and patient safety by providing staff to evaluate risks and implement best practices to improve health care delivery.
 - \$722,000 ongoing general fund to support an electronic health care data exchange process to transfer health records to counties for justice involved individuals who are transitioning to county custody or the community.
 - \$5.9 million general fund in 2020-21 increasing to \$8.4 million ongoing general fund by 2024-25 to support the expansion of telepsychiatry. \$1.4 million ongoing general fund for contract psychiatry services to fill a percentage of state prison psychiatry positions.

Local Public Safety

- The budget includes \$60 million annually for 3 years and \$30 million in 2023-24 to supervise and provide probation services for misdemeanants with the aim of reducing recidivism. The budget includes \$11 million in addition to the baseline \$113.8 million in funding to stabilize SB 678 which provides counties with

performance-based funding allocations for the delivery of evidence-based community supervision practices.

- \$13.8 million general fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post-Release Community Supervision as a result of the implementation of Proposition 57.
- Proposition 47 requires the Department of Finance (DOF) to annually estimate savings resulting from the measure in the preceding fiscal year. DOF currently estimates net general fund savings of \$122.5 million in 2019-20. These funds will be allocated according to the formula outlined in the initiative; 65 percent allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services.
- The Administration proposes to strengthen the state's oversight of county jails. The Board of State and Community Corrections (BSCC) will actively engage counties by follow-up inspections and providing technical assistance to counties where issues are identified. As part of the Title 15 jail standards review, BSCC ensures the standards are consistent with national best practices.
- The Budget builds on several victim services programs from the 2019 budget act while making the following additional investments:
 - \$476,000 general fund in 2020-21 and \$448,000 ongoing for the Department of Justice to provide legal services to victims.
 - \$354,000 ongoing funds (\$223,000 general fund and \$131,000 other funds) to locate and notify affected victims of their rights during parole hearings, and to disburse restitution payments to eligible individuals.
- \$1.1 billion, including \$370.2 million general fund, to support the DOJ to provides legal services on behalf of the people of California.
 - \$9 million ongoing funds (\$2.2 million general fund, \$3.7 million Attorney General Antitrust Account, and \$3.2 million Unfair Competition Law Fund) to establish a Healthcare Rights and Access Section to consolidate and centralize healthcare litigation within DOJ to handle the increase in healthcare litigation.
 - \$3.6 million Fingerprint Fees Account in 2020-21, declining to \$1.9 million annually in 2023-24, to review records in statewide criminal justice databases to identify persons eligible to have their arrestor criminal conviction records withheld from disclosure and modify existing systems to grant such relief automatically.

III. Judicial Branch

- \$8.1 million general fund in 2020-21 and \$15.5 million general fund ongoing to add court navigators at trial courts to assist unrepresented individuals with navigating the complexities of the court system.
- \$11.5 million in 2020-21, increasing to \$56 million ongoing to expand programs that aim to reduce fines and fees for eligible participants who are low income.
- \$20 million ongoing general fund from 2019 budget act to increase total dependency counsel state funding to \$156.7 million to continue to invest and implement Federal Families First Prevention Services Act, which allows court-appointed dependency counsel costs to be a reimbursable activity under the federal Title IV-E funding stream. The Budget estimates \$57 million in federal reimbursements, bringing the total amount available for dependency counsel in 2020-21 to \$213.7 million.

IV. Other

- Proposition 64, the Adult-Use of Marijuana Act, is estimated to generate \$550 million in 2020-21. The Act specifies the allocation of resources. Once funding priorities are met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Budget estimates \$332.8 million will be available for these purposes in 2020-21, and the structure of these allocations is unchanged from 2019-20:
 - Education, prevention, and treatment of youth substance use disorders and school retention—60 percent (\$199.7 million).
 - Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—20 percent (\$66.6 million).
 - Public safety-related activities—20 percent (\$66.6 million).