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## **Governor's Proposed State Budget May Revision 2022-23**

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

This document reflects excerpts from the May Revision to the Governor's proposed budget, which is located on the California Budget [website](#). Related Departmental Budget Change Proposals may be found on the Department of Finance [website](#).

The [Governor's California Blueprint](#) helps to ensure vulnerable people have the necessary help to get off the streets and get the mental health treatment they need. General Fund revenues are estimated to be nearly \$55 billion higher than January, even after the temporary limitation of business tax credits was restored earlier this year. California's continued growth is rooted in our commitment to expand opportunity for all, especially those most affected by a rapidly changing economy. The May Revision includes \$18.1 billion in direct relief to millions of Californians to help offset rising costs and projects that the minimum wage will be boosted for millions of workers. The May Revision adds to substantial investments to address homelessness and mental health and includes funding to make neighborhoods safer.

### **Key Elements of Proposed Budget**

The May Revision includes \$18.1 billion in direct relief to millions of Californians to help offset rising costs and projects that the minimum wage will be boosted for millions of workers. The May Revision adds to substantial investments to address homelessness and mental health and includes funding to make neighborhoods safer. At the Governor's Budget, the State Appropriations Limit or "Gann Limit" was exceeded in the 2020-21 and 2021-22 fiscal years (FY) by a small margin. The May Revision does not exceed the limit. However, the limit may be exceeded in future years. The May Revision addresses the needs of people with mental health and substance use disorders, those who are justice-involved, and other vulnerable populations, while also addressing underlying inequities and the following are some of the highlights of those priorities:

- ❖ **Health for All:** The Governor's Budget proposal to close the remaining gap in preventative coverage for individuals ages 26 to 49, regardless of immigration status will make California the first state to realize the goal of universal access to health coverage for all Californians. In the absence of the federal government extending the federal health insurance premium subsidies, the May Revision proposes \$304 million to re-instate state-supported Covered California premium subsidies for the middle class.
- ❖ **Children's Behavioral Health:** Last year, the Budget Act allocated \$1.4 billion over multiple years to transform California's behavioral health system for all California children and youth. The May Revision includes an additional \$290 million over three years to address the most urgent needs and emergent issues in children's mental health. As the state continues to implement a new behavioral health system for children and youth, this proposal will support grants to deliver well-being and mindfulness programs, as well as

parent support education programs. This proposal will also fund grants to support children and youth at increased risk of suicide and a youth suicide crisis response pilot. The funding will also establish a center for researching, evaluating, and applying innovative new technologies to improve youth mental health. This will allow the State to maximize the positive impact of emerging technology on the social and emotional well-being of children and youth by focusing on the use of emergent technologies to improve assessment, supports, and treatment, particularly as it is provided through the Children and Youth Behavioral Health Initiative, while simultaneously seeking to minimize the harmful impacts of technology.

- ❖ **Preventative Care:** The May Revision includes an additional \$300 million total funds (\$150 million General Fund) for this program (\$400 million was proposed in the Governor's Budget), which equals a combined \$700 million in total funds for provider payments focused on advancing equity and improving quality in children's preventive and integrated behavioral health care.
- ❖ **Housing and Homelessness:** Last year, the state allocated a \$12 billion multi-year investment in a comprehensive approach toward services and supports to provide shelter, housing, long-term supportive services, and help prevent individuals from becoming homeless. The Governor's Budget proposed an additional \$2 billion General Fund over two years to expand access to housing for individuals with complex behavioral health needs and grants to local governments to address encampments. Some of the expenditures include:
  - The Administration has proposed a new court process to assist people living with untreated schizophrenia or other psychotic disorders. The May Revision includes \$64.7 million to fund state department and Judicial Branch costs associated with the new Community Assistance, Recovery and Empowerment (CARE) Court.
  - \$1.5 billion over the next two years to expand access to housing for vulnerable populations living with complex behavioral health conditions.
  - The May revision includes \$150 million (in addition to \$13.6 million) annually for three years for the Returning Home Well Program to continue providing housing for justice-involved individuals who are transitioning from incarceration.
  - \$500 million (one-time) to reduce the number of encampments by funding local jurisdictions to invest in short- and long-term rehousing strategies.
- ❖ **Public Health Infrastructure:** \$146 million ongoing (\$73 million General Fund) over two fiscal years for local public health infrastructure intended to specifically address workforce expansion, data collection and integration for informing local decision-making, and for the expansion of local partnerships with health care delivery systems, community-based organizations (CBOs), and faith-based organizations, to align efforts to affect necessary system changes.
- ❖ **Crime:** The May Revision makes additional investments to support public safety and protect victims of crimes and builds on the \$285 million General Fund in the Governor's Budget.
  - \$50 million (one-time) local law enforcement grants to support officer wellness.
  - \$30 million (one-time) to assist minors who are victims of sex trafficking.
  - \$25 million (one-time) matching funds for local gun buyback programs.

- \$20 million (one-time) to support small businesses victimized by retail theft.
- \$20 million (one-time) programs to intercept the smuggling of drugs at the California-Mexico border.
- ❖ **Labor and Workforce:** Significant investments to address health care and education workforce issues. To support the implementation of these and other efforts, the Governor's Budget also included \$1.7 billion to invest in a multi-pronged effort to develop and train thousands of new care economy workers.
  - \$350 million to recruit, train and develop 25,000 new Community Health Workers by 2025 to include specialty certifications in climate health, homelessness and dementia.
  - \$210 million to expand programs for creation of a diverse pool of social workers.
  - \$120 million to develop psychiatric practitioner workforce to include promotional opportunities and attractive salaries.
  - \$60 million to expand emergency medical technicians, in partnership with local public health systems and their contracted emergency medical providers.
- ❖ **Budget Reserves:**
  - \$23.3 billion for the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies.
  - \$900 million for the Safety Net Reserve.
  - \$9.5 billion for the Public School System Stabilization Account.
  - \$3.4 billion for the State's operating reserve.

## **Health and Human Services**

The California Health and Human Services Agency (CalHHS) is responsible for the oversight and review of the delivery of health and social services across the state and, more specifically, to the most vulnerable and at-risk Californians. The May Revision includes \$227.6 billion (\$67.4 billion General Fund and \$160.2 billion Other Funds) for all health and human services programs in FY 2022-23. For more information visit the [CalHHS Budget Highlights webpage](#) or [Health and Human Services Budget Summary](#).

### **Addressing Behavioral Health**

- ❖ **Youth Suicide Prevention Program**—\$40 million General Fund to develop and implement a data-driven targeted community-based youth suicide prevention program for youth at increased risk of suicide such as Black, Native American, Hispanic, and foster youth.
- ❖ **Crisis Response**—\$50 million to provide grants to pilot school and community-based crisis response and supports following a youth suicide or youth suicide attempt and pilot a new approach of designating youth suicide and youth suicide attempts as a reportable public health event, which would trigger screening and resource connections at the local level for the impacted community
- ❖ **Wellness and Mindfulness Programs**—\$85 million over two years for grants for wellness and mindfulness programs in schools and communities and expansion of parent support and training programs.
- ❖ **Video Series**—\$15 million to develop and distribute a video series for parents to build

their knowledge, tools and capacity to support the behavioral health of their children.

- ❖ **Career Development**—\$25 million to identify and support the early career development of 2,500 highly talented and culturally diverse high school students interested in mental health careers.
- ❖ **Assessment and Intervention**—\$75 million for next generation digital supports for remote and metaverse based mental health assessment and intervention.
- ❖ **Community Assistance, Recovery and Empowerment (CARE) Court**—CARE Court is a new court process to deliver community-based behavioral health services and supports to individuals living with untreated schizophrenia spectrum or other psychotic disorders. CARE Court is intended to serve as an upstream intervention for the most severely impaired individuals to prevent avoidable psychiatric hospitalizations, incarceration, and Lanterman-Petris-Short Mental Health Conservatorship. The May Revision includes the following investments to administer CARE Court:
  - **Supporter Program**—\$10 million General Fund ongoing to the Department of Aging for the CARE Court Supporter Program to help the participant understand, consider, and communicate decisions by providing the tools to make self-directed choices to the greatest extent possible.
  - **Training and Technical Assistance**—\$15.2 million General Fund in FY 2022-23, \$1.1 million General Fund annually between 2023-24 and 2026-27, and \$1.3 million General Fund annually ongoing for the Department of Health Care Services to provide training and technical assistance to counties, data collection, and evaluation.
  - **Judicial Branch**—\$39.5 million General Fund in FY 2022-23 and \$37.7 million ongoing for the Judicial Branch to conduct CARE Court hearings and provide resources for self-help centers.

### **Department of Health Care Services (DHCS)**

The Medi-Cal Budget is \$121.9 billion (\$25.1 billion General Fund) in FY 2021-22 and \$135.5 billion (\$36.6 billion General Fund) in FY 2022-23. The May Revision assumes that caseload will increase by approximately 6.6 percent from FY 2020-21 to FY 2021-22 and increase by 0.6 percent from 2021-22 to 2022-23. Medi-Cal is projected to cover approximately 14.5 million Californians in FY 2022-23, over one-third of the state's population. For more information visit the [DHCS Budget Summary](#) or [DHCS Budget Detail](#).

- ❖ **Unwinding COVID-19 Public Health Emergency Continuous Coverage Requirement**—DHCS is preparing to resume regular Medi-Cal eligibility operations, including annual redeterminations of beneficiary eligibility. Under the continuous coverage requirement in the federal Families First Coronavirus Response Act, the state is required to maintain enrollment of nearly all Medi-Cal enrollees through the end of the month in which the PHE ends. When the continuous coverage requirement expires, California will have a total of 14 months to initiate and complete redeterminations for nearly all of California's Medi-Cal beneficiaries. This significant and complex undertaking will require the partnership of

counties, Medi-Cal Managed Care Plans (MCPs), CBOs, and other state and local partners. The May Revision continues to include \$146 million (\$73 million General Fund) over two fiscal years for additional county workload costs to support their work performing Medi-Cal eligibility determinations. The Administration has prepared for the resumption of redeterminations through the following proposals:

- **Health Enrollment Navigators Project**—The May Revision includes \$60 million (\$30 million General Fund), available over four years, to continue the Health Enrollment Navigators Project. Health enrollment navigators help eligible beneficiaries retain Medi-Cal coverage by assisting with annual renewals, reporting updated contact information, and engaging in outreach regarding application assistance and enrollment.
  - **Coverage Ambassadors**—DHCS is enlisting counties, CBOs, state and local government partners, Medi-Cal MCPs, providers, and others to be Coverage Ambassadors to amplify messaging on various platforms related to the continuity of coverage for beneficiaries in preparation for the end of the PHE.
  - **Media and Outreach Campaign**—An April 1 Budget proposal included \$25 million (\$12.5 million General Fund) for a media and outreach campaign to encourage beneficiaries to update their contact information with their counties, and to educate beneficiaries of the implications of their eligibility once the COVID-19 PHE ends.
  - **Transitions to Covered California**—DHCS and Covered California are actively working to implement Chapter 845, Statutes of 2019 (SB 260) to support a seamless transition of eligible individuals from Medi-Cal coverage to a Covered California health plan.
- ❖ **Equity and Practice Transformation Payments**—Building on the \$400 million (\$200 million General Fund) proposed at the Governor’s Budget, the May Revision proposes an additional \$300 million (\$150 million General Fund), available over five years, for Equity and Practice transformation payments. These payments will focus on advancing equity, addressing COVID-19 driven health disparities, and improving quality measures in children’s preventive, maternity, and behavioral health care. The May Revision proposes \$100 million (\$50 million General Fund) to further support early childhood-focused efforts, including grants focused on encouraging health care provider integration with other early-childhood focused programs.
- ❖ **CalHOPE Extension**—In order to address the urgent mental health needs of Californians during the COVID-19 pandemic, the state established CalHOPE, which provides safe, secure, and culturally sensitive emotional support for Californians. This includes the CalHOPE warm line and CalHOPE Connect, which partners with 30 CBOs and over 400 peer crisis counselors. Federal Emergency Management Agency grants supporting CalHOPE will end May 2022. The May Revision includes \$10.9 million General Fund in 2021-22 and proposes \$80 million General Fund in 2022-23 and \$40 million General Fund in 2023-24 to continue providing crisis counseling after federal funding ends. CalHOPE provides safe, secure, and culturally sensitive emotional support for Californians. This funding will provide a bridge for CalHOPE after May 2022, until January 2024. At that

point, CalHOPE will continue by integrating with the behavioral health services platform to be developed under the Children and Youth Behavioral Health Initiative.

- ❖ **Los Angeles County Misdemeanor Incompetent to Stand Trial Services and Supports—** The May Revision includes one-time \$100 million General Fund for Los Angeles County to support access to community-based treatment and housing for individuals found incompetent to stand trial for misdemeanor charges. This replaces lease revenue bond authority that was competitively awarded to Los Angeles County through the Board of State and Community Corrections.
- ❖ **Community Health Workers—**\$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025, with specialty certifications in areas that include climate health, homelessness, and dementia. See the Labor and Workforce Development section of this summary for more information.
- ❖ **American Rescue Plan Act (ARPA) Home and Community-Based Services (HCBS) Spending Plan—**The Centers for Medicare & Medicaid Services approved California’s HCBS spending plan and DHCS will begin claiming enhanced HCBS funding, making funds available for the state’s spending plan initiatives. The ARP provides funding to enhance, expand, and strengthen HCBS. During the federal Public Health Emergency, the federal government provided enhanced federal subsidies under the American Rescue Plan Act (ARPA), which will expire at the end of 2022. If federal action is not taken to extend ARPA premium subsidies for 2023 and beyond, the May Revision proposes \$304 million to reinstitute California’s premium subsidy program that was in effect in 2020 and 2021. The HCBS Spending Plan includes \$4 million one-time General Fund to develop a statewide roadmap for the Department of Aging, in partnership with the Department of Health Care Services, and to support the development of home and community-based services for individuals regardless of income in underserved areas.

### **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 May Revision includes \$42.4 billion (\$16.5 billion General Fund) for DSS programs in FY 2022-23. For more information visit the [CDSS Budget Detail](#).

**State Supplemental Payment (SSP) Increase—**The May Revision includes \$3.1 billion General Fund in FY 2022-23 for the SSI/SSP program. The average monthly caseload in this program is estimated to be 1.1 million recipients in FY 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.

- ❖ **CalWORKs Grant Increase—**The May Revision reflects an 11-percent increase to CalWORKs Maximum Aid Payment levels, with an estimated cost of \$296.2 million in FY 2022-23. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.



### ❖ **Children’s Programs**

- The May Revision includes \$988.8 million General Fund in FY 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 \$9.2 billion in FY 2022-23.
- \$108 million one-time funding (\$57.6 million General Fund) for the Department of Social Services to continue design, development, and implementation activities for the Child Welfare Services—California Automated Response and Engagement System (CARES) project. Lessons learned from proof of concept activities completed in 2021-22 informed the next iteration of development work, CARES Version 1 and Version 2. The project is replacing a legacy system with a modern technology application that aids child welfare stakeholders in assuring the safety and well-being of children at risk of abuse and neglect.
- ❖ **Foster Youth Independence Pilot Program**—The Budget includes \$1 million one-time General Fund, available over two years, for the Foster Youth Independence Pilot Program, which provides county child welfare agencies funds to provide case management and support services for former foster youth utilizing federal housing choice vouchers.
- ❖ **Family Finding and Engagement**—The May Revision includes \$150 million one-time General Fund available over five years for a county-optional program to supplement foster caregiver recruitment and retention. The resources will support statewide training and technical assistance on evidence-based best practices for intensive family finding and engagement services.

### **Department of Public Health**

The California Department of Public Health (CDPH) is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$6.7 billion (\$1.1 billion General Fund) in FY 2022-23 for the Department. For more information, visit the [CDPH Budget Detail](#).

- ❖ **Local Assistance Funding**—The May Revision Budget proposed \$2.8 billion for Local Assistance. The Budget included \$200 million General Fund annually for local health jurisdictions (LHJs) to enhance their public health infrastructure and addressing social determinants of health. The intent is to drive collaboration across counties and leverage resources collectively in order to gain economies of scale. While LHJs may have more individualized investment areas of focus to meet their local community needs DPH has collaborated with local partners to develop key metrics, minimum requirements for use of the funds, and reporting requirements to determine that local funding resources should broadly include Workforce Expansion, Data Collection and Integration, and Community Partnerships.

- ❖ **State Operations Funding**—The May Revision Budget proposed \$3.9 billion for State Operations. The Budget included \$100 million General Fund annually for CDPH 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.
- ❖ **Opioids**—The May Revision includes a one-time \$41.8 million Opioid Settlements Fund in FY 2022-23 (in addition to the one-time \$86 million opioid settlement funds) which will be dedicated to workforce training at the Department of Health Care Services (\$51.1 million), the Naloxone distribution project targeting unhoused populations (\$15 million), and a public awareness campaign targeted towards youth opioids education and awareness and fentanyl risk education (\$40.8 million).

### **Department of State Hospitals**

The Department of State Hospitals (DSH) cares for patients with serious mental illness, 90 percent of whom are sent to state hospitals through the California court system and the pandemic has exacerbated the felony incompetent to stand trial (IST) patients. The May Revision includes \$3.2 billion (\$3 billion General Fund) in FY 2022-23 for support of the Department. The patient population is expected to reach 8,289 by the end of FY 2022-23, including patients receiving competency treatment in jail-based settings and community-based settings. For more information visit the [Departmental of State Hospitals Section](#) and [DSH Budget Highlight](#).

- ❖ **Felony Incompetent to Stand Trial (IST) Waitlist Solutions**—The Department of State Hospitals continues to experience a significant growth in trial court referrals of individuals found IST on felony charges. Additionally, the winter COVID-19 Omicron surge further impacted DSH’s operations resulting in further growth in the waitlist of individuals deemed felony IST pending placement in a treatment program. As of the end of April 2022, there were 1,915 individuals deemed IST awaiting treatment. The Governor’s Budget proposed funding for IST solutions, informed by the IST Solutions Workgroup convened last fall, to address the waitlist and to break the cycle of criminalization for individuals deemed felony IST. Based on feedback from stakeholder engagement and updated caseload projections, the May Revision includes \$535.5 million General Fund in FY 2022-23, increasing to \$638 million General Fund per year in FY 2025-26 and ongoing, to support the below changes to the proposed solutions:
  - **Early Stabilization and Community Care Coordination**—To provide immediate solutions to support access to treatment for the over 1,900 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. The May Revision includes additional funding to



support county overhead to support the administration of the community-based restoration and diversion programs. This also includes an increased investments into community housing that will be required to serve DSH identified populations for a minimum of 30 years.

- **Improve IST Discharge Planning and Coordination**—To reduce ISTs cycling through the criminal justice system by increasing coordination with county behavioral health departments to provide treatment records when ISTs are returned from DSH to the court, enabling counties to plan for continuity of treatment when the IST is released from jail.
- **Improve the Quality of Alienist Evaluations**—To improve the quality of IST determinations and decisions regarding the need for medications.

### **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—ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable. The budget includes \$310.5 million in FY 2022-23 and ongoing from various funds to recast the Office as a department, strengthen health workforce and other data assets, build a more robust health workforce data system, and analyze that data to better inform policy recommendations to help support the state’s health care workforce. For more information visit the [HCAI Budget Detail](#).

- ❖ **Healthcare Workforce Training Program**—\$50 million one-time General Fund to support grants to new residency programs.

### **Housing and Homelessness**

The Budget reflects the Administration's commitment to equitably build more affordable housing for Californians and expand access to housing for vulnerable populations, including individuals with complex behavioral health conditions and people living in unsheltered settings. In total, the Budget includes \$9.1 billion for housing resources and \$9.4 billion for homelessness resources in FY 2022-23.

The Budget includes \$2 billion to expand access to housing for vulnerable populations with complex behavioral health conditions and people living in encampments and complements the funding included in the 2021 Budget. The May Revision includes an additional \$150 million to fund more Homekey projects and \$500 million for the development of interim housing designed to be built quickly, providing an additional type of housing to address homelessness. For more information visit the [housing and homelessness](#) portion of the revised FY 2022-23 budget.

- ❖ **CARE Court**—The May Revision includes \$64.7 million to fund state department and Judicial Branch costs associated with the new Community Assistance, Recovery and Empowerment (CARE) Court to assist people living with untreated schizophrenia or other psychotic disorders. To support the implementation of these and other efforts, the Governor’s Budget also included \$1.7 billion to invest in a multi-pronged effort to develop and train thousands of new care economy workers, including various mental health professionals and 25,000 new community health workers.
- ❖ **Encampments and Unsheltered Settings**—The May Revision proposes an additional \$500 million one-time General Fund over FY 2023-24 and FY 2024-25 to remove barriers to build more downtown-oriented and affordable housing through funding adaptive reuse—namely, converting existing infrastructure, underutilized retail space, and commercial buildings into residential uses. When added to the \$100 million one-time General Fund included in the Governor’s Budget, total adaptive reuse investments total \$600 million over three years.
- ❖ **Returning Home Well**—The May Revision builds on the \$10.6 million General Fund investment by adding \$3 million one-time General Fund annually for three years to continue the Returning Home Well Program which provides transitional housing services to individuals released from the California Department of Corrections and Rehabilitation who would otherwise be at risk of being unhoused at the time of their release. This program, initiated during the COVID-19 Pandemic, has served over 5,300 individuals to date. See [California Department of Corrections and Rehabilitation section](#) of this revised summary for more information.

## **Criminal Justice**

### **California Department of Corrections and Rehabilitation**

The California Department of Corrections and Rehabilitation (CDCR) incarcerates people convicted of the most violent felonies, supervises those released to parole, and provides rehabilitation programs to help them reintegrate into the community. CDCR strives to facilitate the successful reintegration of the individuals in its care back to their communities equipped with the tools to be drug-free, healthy, and employable members of society by providing education, treatment, and rehabilitative and restorative justice programs. The May Revision includes total funding of \$13.9 billion (\$13.3 billion General Fund and \$603.2 million other funds) for CDCR in FY 2022-23. Of this amount, \$3.7 billion General Fund is for health care programs, which provide incarcerated individuals with access to mental health, medical, and dental care services that are consistent with the standards and scope of care appropriate within a custodial environment. For more information visit the [CDCR Budget Detail](#) or [Criminal Justice Budget Summary](#).

### **COVID-19 Update**

Active COVID-19 cases have declined significantly statewide since the peak of the Omicron surge in January, when CDCR reported 6,375 active incarcerated adult COVID-19 cases and 5,113 active staff cases. As of May, CDCR was tracking just 352 active incarcerated adult and 304 active staff cases, allowing CDCR to return to normal operations in nearly all of its facilities consistent with its Roadmap to Reopening, while continuing to monitor for and respond to outbreaks. In light of improvements in the containment of COVID-19 and refined projections, the May Revision

includes a total of \$240.1 million for COVID-19 prevention and response activities, a decrease of \$184.6 million compared to the Governor's Budget. These resources will enable CDCR to continue taking proactive measures and precautions to protect the incarcerated population and staff, which include testing, utilizing masks and other personal protective equipment, and providing extra cleaning and sanitation services.

The state has provided \$243.9 million General Fund to counties for holding incarcerated persons on behalf of the state, reflecting payments for individuals held in county jails between March 2020 and August 2021. Current projections suggest a total of \$44.9 million in additional reimbursements may be issued in FY 2021-22 as the backlog is reduced and then eliminated. Below are some highlights of CDCR's proposed initiatives for FY 2022-23:

- ❖ **Prison Capacity and Closure**—The adult prison population has steadily declined over many years, which presented opportunities for CDCR to eliminate its reliance on contract prison capacity. CDCR terminated its final in-state contract correctional facility in May 2021. Consistent with the 2021 Budget Act, the Department closed Deuel Vocational Institution in Tracy in September 2021, achieving savings of \$150.3 million General Fund annually beginning FY 2022-23. On April 14, 2022, CDCR announced its intent to close the California Correctional Center (CCC) in Susanville as well as minimum security portions of the California Correctional Institutional and the California Training Facility. Although the closure of CCC is currently on hold pending litigation, the Administration is committed to right-sizing California's prison system to reflect the needs of the state.
- ❖ **Staff Misconduct and Disciplinary Process Improvements**—The Governor's Budget included comprehensive resources for CDCR to improve and enhance the process by which the Department handles complaints filed by incarcerated individuals that include allegations of staff misconduct. The Governor's Budget included \$2.3 million General Fund in FY 2022-23 and \$3.6 million ongoing for the Office of the Inspector General (OIG) to oversee and monitor CDCR's new staff misconduct process. In addition, the May Revision includes \$5.6 million General Fund in FY 2022-23 and \$11.4 million ongoing for the OIG to monitor staff complaints that are handled by institutions and to reflect refinements to the staffing levels for the OIG to monitor CDCR's centralized screening process and investigations conducted by the Office of Internal Affairs. This increase will provide the OIG with a total of \$7.9 million General Fund in FY 2022-23 and \$15.1 million ongoing to monitor CDCR's staff misconduct process.
- ❖ **Returning Home Well**—The Budget includes \$10.6 million General Fund annually for three years for the Returning Home Well Program to continue while providing the opportunity to assess the ongoing needs of the released population. The May Revision builds on this investment by adding \$3 million one-time General Fund to provide transitional housing to youth discharged from CDCR's Division of Juvenile Justice by the Board of Juvenile Hearings in FY 2022-23. Transitional housing will be available to youth who are at risk of homelessness upon their release to support them in successfully reentering their communities. CDCR established the Returning Home Well Program during the pandemic to provide emergency transitional housing services to individuals who would otherwise be at risk of being unhoused at the time of their release. As of November 2021, the Returning Home Well Program had served 5,293 individuals. While this program was initiated in response to the pandemic, the need for emergency

transitional housing for parolees will remain after the public health crisis subsides. For more information, visit the [Returning Well Home budget change proposal](#).

### **Division of Juvenile Justice**

Consistent with Chapter 337, Statutes of 2020 (SB 823), the Division of Juvenile Justice (DJJ) ceased intake of new youth on July 1, 2021, with limited exceptions, and is scheduled to close on June 30, 2023. The May Revision reflects an estimated average daily population of 641 youth in FY 2021-22 and 430 youth in FY 2022-23, which represents a decrease of 16 and 114 youth in FY 2021-22 and FY 2022-23, respectively, compared to the Governor's Budget estimates. Currently, DJJ estimates there will be approximately 300 youth remaining in its care on June 30, 2023. DJJ released its transition plan for these youth on February 9, 2022. Through the transition process, DJJ will work with youth, their Interdisciplinary Treatment Teams, their families, state and county officials, and community stakeholders to develop individualized transition plans and ongoing treatment strategies. The May Revision population-related adjustments reflect a decrease of \$6 million General Fund and 32.5 positions in FY 2021-22, and a decrease of \$15.7 million and 95 positions in FY 2022-23, as compared to Governor's Budget estimates. Additionally, the May Revision reflects a decrease of \$87.8 million and 554.7 positions in FY 2023-24 and ongoing in recognition of DJJ's closure at the end of FY 2022-23.

### **Local Public Safety**

Specific details of the Budget for the following programs can be found at the [Criminal Justice Budget Summary](#).

- ❖ **Cracking Down on Organized Retail Theft and Other Crimes**—The Governor's Budget included \$6 million annually through FY 2024-25 and \$500,000 ongoing to support regional task forces combating organized retail theft, and \$5 million ongoing General Fund to support DOJ participation in anti-crime task forces around the state. The May Revision builds upon these investments by providing an additional \$7.9 million General Fund in FY 2022-23, and \$6.7 million ongoing, to establish the Fentanyl Enforcement Program. This brings the total additional resources for DOJ task forces to \$18.9 million in FY 2022-23.
  - **Medi-Cal Fraud and Elder Abuse: Medicaid Patient Abuse Prevention Act**—\$7.8 million (\$6.1 million Federal Trust Fund, \$1.2 million False Claims Act, and \$474,000 General Fund) in FY 2022-23, and \$7.1 million in FY 2023-24 and ongoing to fully maximize DOJ's federal grant award to support increased Medicaid fraud and elder abuse investigation and enforcement pursuant to changes in federal law.
  - **Reparations Task Force**—\$1.5 million one-time General Fund for external consultants to develop and finalize task force recommendations, and cover travel and per diem costs for task force members pursuant to Chapter 319, Statutes of 2020 (AB 121). This investment is in addition to \$2.2 million General Fund over two years for the task force provided in the 2021 Budget Act.
- ❖ **Proposition 47 Savings**—The Department of Finance estimates net General Fund savings of \$161.1 million in the FY 2022-23 May Revision. This is an increase of \$13.8 million over the FY 2022-23 Governor's Budget projection, due to updated diversion impact estimates.

These funds will be allocated according to the formula specified in the initiative, which requires 65 percent be allocated for grants to public agencies to support various recidivism reduction programs (such as mental health and substance use treatment services), 25 percent for grants to support truancy and dropout prevention programs, and 10 percent for grants for victims' services. This additional funding will bring the total allocated for these programs to approximately \$608.4 million General Fund since the passage of Proposition 47.

- ❖ **Post Release Community Supervision (PRCS)**—The May Revision includes \$20.9 million one-time General Fund, or a decrease of \$2.3 million from Governor’s Budget projections, corresponding with fewer releases of incarcerated individuals than had been projected in Fall 2021. This allocation is for county probation departments to supervise the temporary increase in the average daily population of offenders on PRCS as a result of the implementation of Proposition 57.
- ❖ **Community Corrections Performance Incentive Grant**—The Community Corrections Performance Incentive Grant, Chapter 608, Statutes of 2009 (SB 678) was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. The May Revision contains \$123.8 million one-time General Fund annually through FY 2024-25 to support the incentive program.
- ❖ **Officer Wellness**—The May Revision includes a \$50 million one-time General Fund that builds on the \$5 million one-time General Fund in the Governor’s Budget FY 2022-23, to be spent over three years, for the Commission on Peace Officer Standards and Training to support the physical, mental, and emotional health of local law enforcement personnel through sustainable wellness programs, training, and research.
- ❖ **Mobile Probation Centers**—The Budget includes \$20 million one-time General Fund in FY 2022-23, to be spent over three years, to establish a competitive grant program for counties to create mobile probation centers modeled after a program established by Placer County. Increasing access to probation services, particularly among individuals who are unhoused and struggling to meet supervision requirements, is critical to enhance public safety and successfully support their reintegration.

## **Labor and Workforce Development**

The Budget includes a one-time \$1.7 billion investment over three years in care economy workforce development-across both the Labor and Workforce Development Agency (Labor Agency) and CalHHS that will create more innovative and accessible opportunities to recruit, train, hire, and advance on ethnically and culturally inclusive health and human services workforce, with improved diversity, wages, and health equity outcomes. The Care Economy Workforce investments will be jointly coordinated by the Labor Agency and CalHHS through the CalHHS/HCAI Health Workforce Education and Training Council. The May Revision adjusts the Governor’s Budget proposal and makes strategic investments to further expand workforce training to create a more inclusive economy. For more information see the [Labor and Workforce Development Budget Summary](#). These specific investments include:

- ❖ **California Youth Leadership Program Language Justice Pathway**—\$10 million to expand earn-and-learn community change career pathways for community college students through the California Youth Leadership Corps, a new statewide partnership between the Labor Agency, the Community Learning Partnership, selected California community colleges, local nonprofit organizations, and community partners.

## **General Government and Statewide Issues**

The Budget includes funding proposals in a variety of departments that will impact the criminal justice and behavioral health populations. Innovative work to research genetics as they relate to ACEs and depression, mental health crisis numbers, funds to build strong communities and address racism, free school meals, to build capacity and infrastructure of the CBOs providing vital services to the most vulnerable communities. For more information see the [General Government and Statewide Issues Budget Summary](#).

### **Office of Emergency Services (OES)**

- ❖ \$19 million one-time General Fund for the California Office of Emergency Services (CalOES) to implement projects replacing manual processes and legacy systems such as Grants Management, Interagency Recovery, and Human Resources Tracking. This builds upon current modernization efforts and existing technologies to enhance CalOES's ability to respond to increasingly complex disasters more efficiently. It also includes staff resources to strengthen the department's Information Security Program.
- ❖ **Implementing a 988 Behavioral/Mental Health Crisis Hotline**—The Budget proposes \$7.5 million General Fund (\$6 million ongoing) and 10 positions to Public Safety Communications, within OES, to invest in the state's network of emergency call centers to support the launch of a new 988 hotline, an alternative to 911 for people seeking help during a mental health crisis. Beginning in July 2022, calls to the new 988 mental health crisis number will be received by the 13 public and private call centers in California that currently take calls that are routed to them from the National Suicide Prevention Lifeline. These counselors, which include volunteers who are not registered/certified professional behavioral health counselors, are highly trained to assist people in emotional distress or suicidal crisis. Funding for 988 crisis call centers will link to new mobile crisis services that will be linked to effective community treatment.

### **Department of Consumer Affairs**

- ❖ **Cannabis Tax Fund**—The Department of Consumer Affairs oversees the continuously appropriated allocation of resources in the Cannabis Tax Fund (Proposition 64). Pursuant to Proposition 64, expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The May Revision estimates \$670 million will be available for these purposes in FY 2022-23, and the structure of these allocations is unchanged from FY 2021-22:



- **Education, prevention, and treatment of youth SUDs and school retention—**60 percent (\$401.8 million)
- **Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—**20 percent (\$133.9 million)
- **Public safety-related activities—**20 percent (\$133.9 million)

These figures reflect a total increase of \$74.7 million compared to the Governor’s Budget estimate. These estimates also reflect the proposed statutory changes to restructure the cannabis tax framework and maintain a baseline level of funding for this allocation.