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## **Governor's Enacted State Budget Fiscal Year 2022-23**

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

This document reflects excerpts from the California Fiscal Year (FY) 2022-23 Enacted Budget, located on the California Budget [website](#). Related Departmental Budget Change Proposals may be found on the Department of Finance's [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. The Budget includes \$37.2 billion in budgetary reserves. The Rainy Day Fund has reached its constitutional maximum of 10 percent of General Fund revenues and the surplus of \$465 million will be dedicated to infrastructure investments, including funding schools, higher education, broadband infrastructure, and a clean transportation system. California's continued growth is rooted in our commitment to expand opportunity for all, especially those most affected by a rapidly changing economy. The Budget includes \$17 billion in relief to millions of Californians to help offset rising costs and reflects the accelerated minimum wage increase, effective January 1, 2023. The Budget adds substantial investments to address homelessness and behavioral health challenges and includes funding to make neighborhoods safer.

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

The Budget includes a \$17 billion broad-based relief package that will provide up to a \$1,050 refund to millions of Californians based on income level and household size to help offset rising costs and inflation. The relief package includes funding for rental assistance, payments for outstanding utility arrearages built up during the pandemic, and covers all family fees for subsidized child care and preschool programs. The Budget adds to substantial investments to address homelessness and behavioral health, and includes funding to make neighborhoods safer. The State Appropriations Limit, or Gann Limit, caps the amount of revenues from proceeds of taxes that can be appropriated by the state, which serves to constrain state spending. Any excess revenues appropriated above the state's limit over a two-year period must ultimately be reallocated evenly between schools and taxpayer refunds. The May Revision appropriations were estimated to be below the State Appropriations Limit in the 2020-21 and 2021-22 fiscal years by a small margin; however, new estimates project the state to be \$11 billion below the limit for this two-year period. The Budget 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 Enacted Budget allocates \$304 million to re-instate state-supported Covered California premium subsidies for the middle class.

- ❖ **Children’s Behavioral Health:** Last year, the Budget included \$4.4 billion over multiple years to transform California's behavioral health system for all California children and youth. The Enacted Budget 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 Budget allocates \$700 million available through June 30, 2027, with \$150 million in 2022-23, for payments to Medi-Cal Managed Care Plans or providers to advance equity; reduce COVID-19-driven care disparities; improve quality measures in children’s preventive, maternity, and behavioral health care; and provide grants and technical assistance to allow small practices to upgrade their clinical infrastructure that allows the adoption of value-based and other payment models to improve health care quality while reducing costs.
- ❖ **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 includes an additional \$2 billion General Fund over two years to accelerate the development of affordable housing, and \$3.4 billion over three years to invest in immediate behavioral health housing treatment, as well as encampment cleanup grants, and extends for an additional year support for local government efforts. Some of the expenditures include:
  - \$64.7 million in 2022-23 and roughly \$49 million General Fund ongoing, contingent on adoption of statutory changes, for the Department of Health Care Services, the Judicial Branch, and the Department of Aging to administer Community Assistance, Recovery and Empowerment (CARE) Court, new court process to assist people living with untreated schizophrenia or other psychotic disorders.
  - \$1.5 billion over the next two years for the Behavioral Health Bridge Housing Program to expand access to housing for individuals with complex behavioral health conditions.
  - \$10.6 million annually for three years for the Returning Home Well Program to continue providing housing for justice-involved individuals who are transitioning from incarceration.

- \$300 million General Fund for 2022-23, and \$400 million General Fund for 2023-24 to reduce the number of encampments by funding local jurisdictions to invest in short- and long-term rehousing strategies.
- ❖ **Local Public Safety:** The Budget includes a total of \$564.4 million General Fund over three years, including \$241.4 million in 2022-23, to bolster local law enforcement efforts to address organized retail theft and other crimes, and support affected businesses. In addition, the Budget makes investments of the following one-time funds:
  - \$50 million for local law enforcement grants to support officer wellness.
  - \$25 million for prevention, intervention, and services for youth who have been victims of sex trafficking.
  - \$25 million for the Board of State and Community Corrections to establish a competitive grant program to support local gun buyback programs.
  - \$85 million annually for three years in competitive grants for local law enforcement to combat organized retail crime so Californians and businesses across the state can feel safe.
  - \$10 million annually for three years for competitive grants to local District Attorneys to create dedicated retail theft vertical prosecution teams.
  - \$6 million annually in 2022-23 through 2024-25 and ongoing resources to provide a total of \$15 million annually for the California Highway Patrol (CHP) to expand and make permanent its Organized Retail Taskforce.
  - A one-time \$5.5 million will be given to CHP to address sideshow activity throughout the state.
  - \$4 million in 2022-23 and \$ 3.3 million in 2023-24 and 2024-25 for CHP to create a Highway Violence Task Force to address violent crimes occurring on state highways.
  - \$11 million annually for three years and \$5.5 million ongoing for the Department of Justice to continue leading anti-crime task forces around the state to combat human trafficking and gangs.
  - \$25 million annually for three years to provide local law enforcement support during disasters and emergencies.
  - \$5 million annually for three years to support the Internet Crimes Against Children Task Force Program.
  - \$40 million one-time to establish a firearm relinquishment program administered by the Judicial Council.
  - \$30 million (\$15 million in 2022-23 and \$15 million in 2023-24) to expand the Military Department's existing drug interdiction efforts to prevent drug-trafficking transnational criminal organizations throughout the state, with a particular focus on assisting federal, state, local, and tribal law enforcement agencies in combatting fentanyl.
  - \$7.9 million in 2022-23 and \$6.7 ongoing to establish the Fentanyl Enforcement Program within the Department of Justice to combat manufacturing, distribution, and trafficking of fentanyl.

- ❖ **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 \$1.5 billion to invest in a multi-pronged effort to develop and train thousands of new care economy workers.
  - \$281.4 million one-time General Fund over three years to recruit, train and develop 25,000 new Community Health Workers by 2025 to include specialty certifications in climate health, homelessness and dementia.
  - \$126 million to expand programs for creation of a diverse pool of social workers.
  - \$60 million one-time General fund for the Emergency Medical Services Corps.
  - \$486.6 million (\$476.6 million General Fund) over four years for public health, behavioral health, primary care, and clinical workforce investments.
  - \$135 million General Fund for training and career advancement programs in healthcare sectors for individuals with barriers to employment through High Road Training Partnerships.
  - \$26 million one-time Opioid Settlements Fund for substance use disorder workforce training.
  - \$25 million General Fund for the Healthcare Workforce Advancement Fund.
- ❖ **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.
  - \$3.5 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 Budget includes \$231.3 billion (\$68 billion General Fund and \$163.2 billion Other Funds) for all health and human services programs in FY 2022-23. For more information visit [Health and Human Services Budget Summary](#).

### **Addressing Behavioral Health**

- ❖ **Children and Youth Suicide Prevention Grants and Outreach Campaign**—\$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.
- ❖ **Youth Suicide Reporting and Crisis Response Pilot Program**—\$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.
- ❖ **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.

❖ **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 Budget includes the following investments to administer CARE Court:

- \$64.7 million General Fund in 2022-23 and roughly \$49 million General Fund ongoing for the Department of Health Care Services, the Judicial Branch, and the Department of Aging to administer CARE Court, contingent on adoption of statutory changes.
- \$39.5 million General Fund in 2022-23 and \$37.7 million ongoing for the Judicial Branch to conduct CARE court hearings and provide resources for self-help centers, contingent on adoption of statutory changes.

The Administration continues to work with the Judicial Council and counties to estimate costs associated with this new court process.

### **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 Enacted Budget 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](#).

- ❖ **Urgent Needs and Emergent Issues in Children's Behavioral Health**—\$120.5 million General Fund in 2022-23 to provide wellness and resilience building supports for children, youth, and parents, support the School-Based Peer Mental Health Demonstration project, develop a video series to provide parents with resources and skills to support their children's mental health, and to develop the next generation digital supports for remote mental health assessment and intervention.
- ❖ **Medi-Cal Coverage to All Income-Eligible Californians**—\$835.6 million (\$626.1 million General Fund) in 2023-24 and \$2.6 billion (\$2.1 billion General Fund) at full implementation and annually thereafter, inclusive of In-Home Supportive Services (IHSS) costs, to expand full-scope eligibility to all income-eligible adults aged 26 through 49 regardless of immigration status. Beginning no later than January 1, 2024, Medi-Cal will be available to all income-eligible Californians.
- ❖ **California Advancing and Innovating Medi-Cal (CalAIM) Initiative**—\$3.1 billion (\$1.2 billion General Fund) in 2022-23 and an estimated \$1.9 billion (\$698.5 million General Fund) in 2024-25 to continue the implementation of the CalAIM initiative.
- ❖ **Medi-Cal Community-Based Mobile Crisis Intervention Services**—\$1.4 billion (\$335 million General Fund) over five-years to add qualifying community-based mobile crisis intervention services no sooner than January 1, 2023, as a Medi-Cal covered benefit

through the Medi-Cal behavioral health delivery system.

- ❖ **Equity and Practice Transformation Provider Payments**—The Budget allocates \$700 million available through June 30, 2027, with \$140 million in 2022-23 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.
- ❖ **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 ended in May 2022. The Budget includes \$100 million General Fund in 2022-23 and ongoing \$15 million General Fund component is budgeted to specifically aid children in foster care. Funds in this account will be used to create trust accounts for children who have lost a parent or primary caregiver to COVID-19 and for children in long-term foster care.
- ❖ **Los Angeles County Justice-Involved Populations Services and Supports**— The Budget includes one-time \$100 million General Fund for a grant program to support and expand access to treatment for individuals with behavioral health disorders who are involved in the justice system, of which \$50 million is to be targeted to individuals charged with a misdemeanor and found incompetent to stand trial. This replaces lease revenue bond authority that was competitively awarded to Los Angeles County through the Board of State and Community Corrections for a county jail construction project through AB 900, Phase II.
- ❖ **Community Health Workers**—\$281.4 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.
- ❖ **California Peer-Run Warm Line**—\$16.4 million General Fund and \$13.6 million Mental Health Services Fund for a one-time augmentation to support the California Peer-Run Warm Line.
- ❖ **9-8-8 National Suicide Prevention Lifeline Augmentation**—\$8 million one-time General Fund to support the capacity of call centers to launch and operate the 9-8-8 National Suicide Prevention Lifeline, effective July 16, 2022. See the Emergency Response chapter for more information.

### **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 Enacted Budget includes \$43 billion (\$17.2 billion General Fund) for DSS programs in FY 2022-23. For more information visit the [CDSS Budget Detail](#).

- ❖ **Supplemental Security Income/State Supplemental Payment (SSI/SSP) Increase**—The Budget includes \$150 million General Fund in both 2022-23 and 2023-24 for an SSP increase effective January 1, 2023. The Budget assumes an additional \$296 million

General Fund in 2023-24 and \$593 million ongoing General Fund for an additional increase beginning January 1, 2024.

- ❖ **CalWORKs Grant Increase**—The Budget 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.
- ❖ **Family Finding and Engagement**—The Budget 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 \$6.8 billion (\$1.2 billion General Fund) in FY 2022-23 for the Department. For more information, visit the [CDPH Budget Detail](#).

- ❖ **Public Health Workforce**—The Enacted Budget includes \$75.6 million one-time General Fund over three years to strengthen and expand the state’s public health workforce.
- ❖ **Opioids**—The Budget includes a one-time \$26 million Opioid Settlements Fund in FY 2022-23 for substance use disorder workforce training.
- ❖ **The SMARTER Plan and the Next Phase COVID-19**—\$1.8 billion California Emergency Relief Fund to continue to respond to the pandemic, as well as provide a roadmap for ongoing emergency preparedness. Funding will support efforts in medical staffing, testing, vaccines, enhanced surveillance, test-to-treat therapeutics, border operations, operations support, and emergency contingency funds.

### **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 Enacted Budget includes \$3.1 billion (\$2.9 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 and community-based settings. For more information, visit the [Departmental of State Hospitals Budget Details and the DSH Budget Act Highlights](#).

- ❖ **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 growth in the waitlist of individuals deemed felony IST pending placement in a treatment program. The Budget allocated \$535.5 million General Fund in 2022-23, increasing to \$638 million General Fund per year in 2025-26 and ongoing, for solutions focusing on Early Stabilization and Community Care

Coordination and Expanding Diversion and Community-Based Restoration Capacity for the IST population. The proposal will establish 5,000 beds over four years to support felony ISTs.

- **Early Stabilization and Community Care Coordination**—provides 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**—increases IST treatment alternatives by investing in the community infrastructure required to support the felony IST population. The Enacted Budget 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**—reduces 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**—improves 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 \$873,000 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](#).

- ❖ **Health Care Workforce Investment**—\$1.06 billion one-time (\$1.05 billion General Fund) over three years to strengthen and expand the state’s health and human services workforce. The following investments will benefit the justice-involved population with behavioral health needs:



- **Community Health Workers** —\$281.4 million General Fund over three years.
- **Behavioral Health Workforce** —\$200 million General Fund over two years to fund addiction psych/medicine fellowships, provide university/college grants for behavioral health professionals and expand MSW slots at public universities/colleges, and offer loan repayment for psychiatry.

## **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 \$11.2 billion for housing resources and \$10.2 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 Budget 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.
- ❖ The Budget includes \$3 million to the BSCC to contract with one or more nonprofit organizations to secure and fund up to one year of transitional housing for youth that will be discharged from the Division of Juvenile Justice that are at risk of homelessness.
- ❖ **Encampment Resolution Grants**—\$300 million General Fund for 2022-23, and \$400 million General Fund for 2023-24, to expand the Encampment Resolution Grants program. Of the 2022-23 funds, \$150 million is prioritized for assisting persons living in encampments located on a state right-of-way.
- ❖ **Transitional Housing and Housing Navigators**—\$34 million ongoing General Fund for California Department of Housing and Community Development's Transitional Housing Program (\$25.3 million) and Housing Navigators Program (\$8.7 million) to provide transitional housing and services to youth who were formerly in the foster system or on probation.
- ❖ **Behavioral Health**—\$1.5 billion General Fund over two years for the Behavioral Health Bridge Housing Program to expand access to housing for individuals with complex behavioral health needs. The Budget also continues to invest in community restoration placements and services for individuals deemed incompetent to stand trial. See the Health and Human Services Chapter for more details.
- ❖ **Homekey 2.0**—\$150 million General Fund in 2021-22 to augment the \$1.5 billion provided for Homekey 2.0 and \$1.3 billion for 2022-23. Awards from Homekey 2.0 continue to be announced, and cumulatively have helped to facilitate more than 10,000 new units of housing for Californians experiencing homelessness.
- ❖ **Veterans Housing and Homeless Prevention Program**- \$100 million one-time General Fund (\$50 million in 2022-23 and \$50 million in 2023-24) to augment the Veterans

Housing and Homeless Prevention Program, which is expected to exhaust the \$600 million provided to the in the Veterans Housing and Homeless Prevention Bond Act of 2014 in 2022-23.

- ❖ **Homeless Housing, Assistance, and Prevention Program (HHAP)** - \$1 billion General Fund for HHAP and \$1 billion General Fund for 2023-24 for the program. HHAP is a source of funds for cities, counties, and continuums of care to create comprehensive plans to address their homelessness challenges in ways that best meet local needs.

## **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 Budget includes total funding of \$14 billion (\$13.4 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 June, CDCR was tracking 643 active incarcerated adult and 1,112 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 Budget includes a total of \$240.1 million for COVID-19 prevention and response activities. 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 \$255.9 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 December 2021. Current projections suggest a total of \$32.9 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 13, 2021, 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. Statutory changes included in the Budget specify that CCC will close by June 30, 2023. As of June 2022, the incarcerated population at CCC was 2,232. The closure of CCC will result in estimated annual savings of \$122 million.

- ❖ **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 filled by incarcerated individuals that include allegations of staff misconduct. The Governor’s Budget included \$35.6 million General Fund in FY 2022-23 and \$34.2 million ongoing for CDCR to support implementation of the new process by which CDCR will handle complaints filed by incarcerated individuals that include allegations of staff misconduct. Additionally, the Budget includes \$7.9 million General Fund in 2022-23, and \$15.1 million ongoing, for the Office of the Inspector General to monitor CDCR’s new 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. 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. Formore information, visit the [Returning Well Home budget change proposal](#).
- ❖ **Expansion of Reentry Beds**—\$40 million General Fund annually for three fiscal years (total of \$120 million) to support an expansion of CDCR’s community reentry programs. These programs have demonstrated success in reducing recidivism by enabling incarcerated individuals to serve a portion of their sentence in a community-like setting, with the goal of facilitating their successful transition back into their communities following their release.
- ❖ **Rehabilitative, Restorative Justice, and Reentry Programming**—more than \$37 million one-time General Fund to support in-prison rehabilitation programs, including the creation of a veteran’s hub at the Correctional Training Facility in Soledad and restorative justice programming to further support the incarcerated population in transforming their lives, better preparing them to reenter society. The Budget also includes \$6 million one-time General Fund to enhance CDCR’s data collection and evaluation capabilities to better understand the outcomes of formerly incarcerated individuals.
- ❖ **Bachelor’s Degree Expansion**- \$5 million General Fund in FY 2022-23 and \$4.7 million ongoing, to permanently fund Bachelor’s degree programs at seven institutions in collaboration with the California State University system. These programs will be available to incarcerated students upon successful completion of their community college programs, enabling them to further prepare to enter the workforce and find gainful employment upon their release from prison.

- ❖ **Delancey Street-** The Budget establishes the Delancey Street Restaurant Management Program at the California State Prison, Solano, which will provide participants with the skills needed to operate a full-service restaurant. Similarly, the program will focus on restaurant operations, service, and hospitality as well as teaching participants marketable skills that will be useful in gaining employment upon their release.
- ❖ **Integrated Substance Use Disorder Treatment Program-** \$126.6 million General Fund in 2022-2023, and \$162.5 million ongoing, to expand the Integrated Substance Use Disorder Treatment Program and enhance the Department’s ability to treat individuals with substance use disorders. These resources will enable CDCR to serve an increasing number of participants with patient screening and adding an aftercare component for individuals who complete the core Integrated Substance Use Disorder Treatment programming, Medication Assisted Treatment, and make other targeted enhancements.
- ❖ **Continued Expansion of Video Surveillance Systems-** \$97.6 million General Fund in 2022-23, and \$7.8 million ongoing, to install fixed camera systems at ten additional institutions and deploy body-worn cameras at four additional institutions to enhance CDCR’s ability to monitor activity and maintain a safe environment for staff and the incarcerated population.
- ❖ **Cellular Interdiction-** \$12.6 million General Fund in 2022-23, \$18.5 million in 2023-24, and \$1.7 million ongoing beginning in 2024-25 to establish an Enhanced Managed Access System to block contraband cell phone usage within 20 prisons. The enhanced technology will stop calls and texts, including on newer technologies such as 5G networks.
- ❖ **Facility and Infrastructure Improvements-** The Budget includes General Fund resources to address necessary maintenance and operations of CDCR facilities, including \$73 million one-time for roof replacement projects at the California Institution for Men and the California Medical Facility; \$22.2 million one-time for accessibility improvements at various institutions for individuals with disabilities; \$29.2 million ongoing for utilities and waste removal expenditures; and \$86.6 million ongoing to clean increased health care space.

### **Division of Juvenile Justice**

Upon the closure of CDCR’s Division of Juvenile Justice on June 30, 2023, counties will be responsible for serving all justice-involved youth across the juvenile justice continuum. Accordingly, the Budget includes \$100 million one-time General Fund to support improvements to county-operated juvenile facilities to make these locations more conducive to serving justice-involved youth with a wide range of needs, with a focus on providing therapeutic, youth-centered, trauma-informed, and developmentally appropriate rehabilitative environments for youth. This investment, along with statutory changes included in the Budget to establish processes to continue serving the highest need youth in state facilities following DJJ's closure, is intended to assist county probation departments in the realignment of youth from the state to counties.

### **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 \$85 million annually for three years in competitive grants for local law enforcement to combat organized retail theft, and \$11 million annually for three years and

\$5.5 million ongoing to support DOJ participation in anti-crime task forces around the state. The Enacted Budget 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.

- ❖ **Reparations Task Force**—\$2.5 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 FY 2022-23. These funds are 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.
- ❖ **Post Release Community Supervision (PRCS)**—The Budget 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 Budget contains \$123.8 million annually through FY 2024-25 to support the incentive program.
- ❖ **Officer Wellness**—The Budget includes a \$50 million one-time General Fund for grants intended to improve general officer health and well-being, build resiliency, decrease stress and trauma, and improve community trust and relations. The Budget also includes \$5 million one-time General Fund 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. In addition to officer wellness, the Budget includes \$10 million General Fund for a pilot training program to improve community policing strategies.
- ❖ **Mobile Probation Centers**—The Budget includes \$20 million one-time General Fund in FY 2022-23 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 \$4.5 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. For more information see the [Labor and Workforce Development Budget Summary](#). These specific investments include:

- ❖ **HealthCare Workforce Investment**—The Budget includes approximately \$1.5 billion one-time General Fund over three years to create more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce, with improved diversity, wages, and health equity outcomes. The package includes:
  - \$486.6 million (\$476.6 million General Fund) over four years for public health, behavioral health, primary care, and clinical workforce investments.
  - \$281.4 million General Fund over three years to recruit, train, and certify Community Health Workers.
  - \$135 million General Fund for training and career advancement programs in healthcare sectors for individuals with barriers to employment through High Road Training Partnerships.
  - \$26 million one-time Opioid Settlements Fund for substance use disorder workforce training.

## 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)

- ❖ **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.

- ❖ **Cal-HOPE Program**— The Budget provides \$100 million in General Fund in the 2022-23 fiscal year for the California Hope, Opportunity, Perseverance, and Empowerment (HOPE) for Children Trust Account Fund to start this new program. An ongoing \$15 million General Fund component is budgeted to specifically aid children in foster care. Funds in this account will be used to create trust accounts for children who have lost a parent or primary caregiver to COVID-19 and for children in long-term foster care. The deposits in the trust accounts may be used for any purpose by the recipients.

### **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 Budget allocates \$670 million 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.