
Enacted State Budget Fiscal Year 2023-24

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

Annually, CCJBH reviews the Governor's Enacted State Budget to inform Councilmembers and interested stakeholders of the investments that could be beneficial to the population served by the public criminal justice, behavioral health, housing, and social services systems. The past four years have reflected significant attention to the needs of the behavioral health and justice involved (BH/JI) population, and this year those supportive expenditures are continuing. This document highlights specific excerpts from the California Fiscal Year (FY) 2023-24 Enacted State Budget Summary, located on the California Budget [website](#). Additional materials in support of the budget, such as the related departmental Budget Change Proposals may be found on the Department of Finance [website](#).

The Budget preserves investments in the programs that are essential to millions of Californians while closing a shortfall of more than \$30 billion through a balanced package of solutions that avoids deep program cuts.

The [Governor's California Fact Sheet](#) identifies investments to ensure vulnerable people have the necessary help to access shelter and mental health treatment, if needed. Governor Newsom's new housing and homelessness investments expand on the \$15.3 billion invested in the last two years, creating 2.5 million new housing units by 2030, as well as \$215 million to implement the CARE Act to provide services and support to those dealing with untreated and severe mental health conditions. The Governor's plan doubles down on the work of the last several years to respond to COVID-19, the climate crisis (including worsening wildfires, drought, extreme heat, and flooding), persistent inequality and homelessness, and community safety.

Sustaining Key Investments with a Balanced Plan

The Administration has made significant and unprecedented investments in the past two FYs, intending to increase the affordability of health care, address homelessness, and strengthen services to advance the lives of the most vulnerable Californians. As noted above, sustaining these critical investments required a balanced plan with contingencies to guard against existing economic uncertainties of stock market declines, Federal Reserve Bank interest rates, and continuing effects of inflation. The Governor's commitment to crucial investments is evident throughout the Budget. Specific investments to advance priorities with potential impact on the BH/JI population are as follows:

Expanding Healthcare Access and Health Care Delivery Transformation — The Budget continues funding to expand full-scope Medi-Cal eligibility to all income-eligible Californians, regardless of immigration status. The Budget maintains the commitment to continue transforming the state's health care delivery system through the Department of Health Care Services (DHCS) California

Advancing and Innovating Medi-Cal (CalAIM) with more than \$10 billion for CalAIM and over \$8 billion for behavioral health.

Community Assistance, Recovery, & Empowerment (CARE) Act — Maintains \$128.9 million General Fund in 2023-24 out of which \$67.3 million General Fund is to support estimated county behavioral health department costs for the CARE Act, including \$15 million one-time General Fund for Los Angeles County start-up funding. The Budget proposes additional funding to the DHCS and the Judicial Branch to implement the CARE Act.

Incompetent to Stand Trial Waitlist Solutions — Maintains \$535.5 million General Fund in FY 2022-23, increasing to \$638 million in FY 2025-26 and ongoing, for the Department of State Hospitals to implement solutions focused on Early Stabilization, Community Care Coordination, and Expanding Diversion and Community-Based Restoration Capacity for the felony Incompetent to Stand Trial (IST) population. There was a decrease of expenditures totaling \$35.7 million General Funds in FY 2022-23 and \$33.2 million General Funds in FY 2023-24. Over four years, this funding will establish 5,000 beds to support felony ISTs. The waitlist decreased to 992 with 200 individuals receiving early stabilization services.

Home and Community-Based Services (HCBS) Spending Plan — The Budget includes an extension for all HCBS initiatives to fully spend allocated funding until December 31, 2024.

Homelessness — The Budget couples the Administration's \$15.3 billion investment to address homelessness with new accountability measures that hold cities, counties, and Continuums of Care more accountable by requiring coordinated regional plans—identifying each jurisdiction's role, outcome goals, and how local entities are using various state, local, and federal funding sources to reduce homelessness.

Opioid and Fentanyl Response — Building on the 2022 Budget Act opioid response investments, the Budget includes an additional \$93 million in Opioid Settlement Fund over four years beginning in FY 2023-24 to support youth- and fentanyl-focused investments. In addition, the budget includes \$14 million one-time Opioid Settlements Fund over four years for fentanyl program grants to increase local efforts in education, testing, recovery, and support services.

Public Health and Workforce — Maintains \$97.5 million General Fund over four years, beginning in 2022-23 for various public health workforce training and development programs.

1991 And 2011 Realignment — Realignment shifted administrative and fiscal responsibility to counties for a variety of programs, along with a dedicated source of funding. Specifically, 1991 Realignment provides funding for social and health programs and 2011 Realignment provides funding for local public safety programs. Additionally, both 1991 and 2011 Realignment provides funding for mental health and child welfare programs. The programs for 1991 and 2011 Realignment are funded through two sources: state sales tax and vehicle license fees. These fund sources are projected to increase by 3.1 percent from FY 2021-22 to 2022-23, and by 1.0 percent from FY 2022-23 to 2023-24.

Looking Forward Through Economic Uncertainty

As in previous years, the Budget addressed the needs of people with mental health and substance use disorders, justice-involved individuals, and other vulnerable populations while addressing underlying inequities. The Budget reflects vital fiscal planning, innovative administrative steps to preserve programs for the most vulnerable populations, and a commitment to maintaining healthy reserves to protect against potential economic uncertainties. The following provides additional funding highlights of the various statewide expenditures in the Budget, which could impact the BH/JI population.

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 \$248.1 billion (\$74 billion General Fund and \$174.1 billion Other Funds) for all health and human services programs in FY 2023-24. For more information, visit [Health and Human Services Budget Summary](#) in addition to the individual department FY 2023-24 Enacted State Budget Summary documents (links are provided where available).

Department of Health Care Services

California's Medicaid program, Medi-Cal, is administered by DHCS. The Medi-Cal Budget includes \$135.4 billion (\$30.9 billion General Fund) in FY 2022-23 and \$151.2 billion (\$37.6 billion General Fund) in FY 2023-24. Medi-Cal is projected to cover approximately 15.3 million Californians in FY 2022-23 and 14.2 million in FY 2023-24—more than one-third of the State's population. For more information, visit the [DHCS Departmental Summary](#).

- ❖ **CalAIM Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT)** — \$6.1 billion (\$306.2 million General Fund, \$87.5 million Mental Health Services Fund, \$2.1 billion Medi-Cal County Behavioral Health Fund, and \$3.6 billion federal funds) over five years for the DHCS and the Department of Social Services to implement the BH-CONNECT, effective January 1, 2024. A critical part of CalAIM, the BH-CONNECT Demonstration includes statewide and county opt-in components (e.g., rent assistance, temporary housing, and behavioral health workforce initiative) to expand behavioral health services and strengthen the continuum of mental health services for Medi-Cal beneficiaries living with serious mental health illness and serious emotional disturbance, with a focus on children and youth, individuals experiencing or at risk of homelessness, and justice involved individuals.
- ❖ **CalAIM Behavioral Health Payment Reform**- \$250 million one-time General Fund to support the non-federal share of behavioral health-related services to implement CalAIM Behavioral Health Payment Reform.
- ❖ **Managed Care Organization Tax** — The Budget reflects a new Managed Care Organization (MCO) Tax, effective April 1, 2023, through December 31, 2026. The MCO tax provides a benefit of \$19.4 billion in funding to the state over the period of the tax, resulting in a total of \$8.3 billion to support the Medi-Cal Program and achieve a balanced budget and \$11.1 billion Medi-Cal Provider Payment Reserve Fund to support investments in Medi-Cal that maintain and

expand access and quality of care. Similarly, the Medi-Cal Provider Payment Reserve Fund supports the following Budget investments:

- **Rate increases in Medi-Cal Program-** \$237.4 million (\$98.2 million Medi-Cal Provider Payment Reserve Fund) in 2023-24 and \$580.5 million (\$240.1 million Medi-Cal Payment Reserve Fund) annually thereafter to increase provider rates to at least 87.5 percent of Medicare for primary care, maternity care, and non-specialty mental health services effective January 1, 2024.
- **Future Targeted Rate Increases and Investments-** As part of the 2024-25 Governor's Budget, the Administration will return a subsequent set of targeted investments to support the Medi-Cal program. These investments will be designated to further advance access, quality, and equity for Medi-Cal beneficiaries and are anticipated to be effective January 1, 2025.
- **Distressed Hospital Loan Program-** \$300 million Distressed Hospital Loan Program Fund supported by one-time loan of up to \$ 150 million from the Medi-Cal Provider Payment Reserve Fund in 2023-24 and a one-time loan of up to \$150 million from the General Fund in 2022-23 for the Department of Health Access and Information (HCAI) and California Health Facilities Financing Authority to provide interest-free cashflow loans to not-for-profit hospitals and public hospitals in significant financial distress.
- **Small and Rural Hospital Relief Program-** \$52 million (\$50 million one-time Medi-Cal Provider payment Reserve Fund and \$2.2. million Small and Rural Hospital Relief Fund) for seismic assessment and Construction at HCAI.
- **Graduate Medical Education Program-** \$75 million annually for the University of California to expand graduate medical education programs with the goal of increasing the number of primary care and specialty care physicians in the state.
- ❖ **Designated State Health Program and Rate Increases** — In 2023-24 through 2026-27, for total General Fund savings of \$646.4 million, from the Designated State Health Program funding to cover Providing Access and Transforming Health Initiative (PATH) costs. PATH is a five-year, \$1.85 billion initiative to build up the capacity and infrastructure of on-the ground partners (e.g., community-based organizations, public hospitals, county agencies, and others) to successfully participate in the Medi-Cal delivery system as they implement statewide initiatives (e.g., CalAIM)
- ❖ **CARE Act** — \$128.9 million in General Fund in 2023-24, \$234 million General Fund in 2024-25, \$290 million in 2025-26, and \$290.8 million General Fund in 2026-27 and annually thereafter for DHCS and Judicial Branch to implement the CARE Act. Of this amount, \$67.3 million General Fund in 2023-24, \$121 million General Fund in 2024-25, and \$151.5 million in 2025-26 and annually thereafter to support estimated county behavioral health department costs for the CARE Act. This includes \$15 million one-time General Fund for Los Angeles County start-up funding.
- ❖ **988 Suicide Crisis and Crisis Lifeline (AB 988)** — \$28.2 million (\$25.3 million 988 State Suicide and Behavioral Health Crisis Services Fund, \$2.2 million Managed Care Fund, and \$773,000 federal funds) in 2023-24, \$16 million (\$13.2 million 988 State Suicide and Behavioral Health Crisis Fund, \$2.1 million Managed Care Fund, and \$728,000 federal funds) in 2024-25, and

\$16.3 million (\$13.2 million 988 State Suicide and Behavioral Health Crisis Fund, \$2.3 million Managed Care Fund, and \$728,000 federal funds) in 2025-26 and ongoing for the CalHHS, the Department of Managed Care Fund, and DHCS. Of this funding, \$19 million in 2023-24 and \$12.5 million in 2024-25 and ongoing is to support eligible 988 call central behavioral health crisis services.

- ❖ **Naloxone Distribution Project**- \$74.8 million in 2023-24, \$35.8 million in 2024-25, \$24.8 million in 2025-26, and \$24.1 million in 2026-27 from the Opioid Settlement Fund to expand the Naloxone Distribution Project to increase distribution to first responders, law enforcement, community-based organizations, and county agencies.

Department of Social Services

The California Department of Social Services (CDSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The CDSS local assistance budget provides funding for a wide variety of social services and income assistance programs administered through all the counties and local service providers. In the 2023 Budget Act, CDSS will administer and oversee the delivery of \$55.3 billion total funds in local assistance programs and services, which include \$20.5 billion General Fund, \$8.8 billion County Fund and Realignment dollars, and \$14.7 billion in reimbursements (primarily Title XIX in addition to Proposition 64 passed through DHCS). For more information, visit [CDSS' 2023 Budget Act Executive Summary](#) or the [CDSS Budget Detail](#).

- ❖ **CalWORKs Grant Increase** — \$111.2 million for an ongoing 3.6 percent increase to CalWORKs grants, effective October 1, 2023. This increased grant cost is funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the Local Revenue Fund.
- ❖ **2022 CalWORKs Grant Increase Sunset Elimination** — This makes permanent the temporary 10 percent CalWORKs grant increase included in the 2022 Budget Act.
- ❖ **California Food Assistance Program (CFAP) Expansion** — \$40 million one-time General Fund to begin automation and outreach efforts beginning July 2023 for expanding CFAP to income-eligible individuals aged 55 years or older regardless of their immigration status. Issuance of food benefits is anticipated to start in October 2025.
- ❖ **State Supplemental Payment (SSP) Increase** — Includes \$3.6 billion General Fund in FY 2023-24 for the SSI/SSP program, including Cash Assistance Program for Immigrants. The Enacted Budget reflects a \$146 million General Fund in FY 2023-24 and \$292 million ongoing for an additional SSP increase of approximately 8.6 percent, effective January 1, 2024.
- ❖ **In-Home Supportive Services (IHSS) Collective Bargaining** — \$1.5 million one-time General Fund to analyze the costs and benefits of a statewide or regional approach to IHSS collective bargaining and statutory changes to amend the current penalty structure for counties that fail to reach an IHSS collective bargaining agreement from 7 percent one-time to 10 percent ongoing.
- ❖ **IHSS Minor Recipient Provider Eligibility** — \$60.7 million (\$27.9 million General Fund) and statutory changes to eliminate provider eligibility requirements that only apply to minor recipients and allow all minor children to have access to their provider of choice.

Department of Developmental Services

The California Department of Developmental Services (DDS) provides individuals with intellectual and developmental disabilities with various service entitlements that allow them to live and work independently or in supported environments. The Governor's Budget includes \$14.2 billion (\$8.6 billion General Fund). For more information, visit the [DDS Departmental Summary](#).

- ❖ **Service Provider Rate Reform: Implementation** — The Budget maintains an estimated annual \$1.2 billion General Fund by 2024-25 to fully implement service provider rate reform with a focus on improving outcomes, quality of services, and addressing disparities within the system.
- ❖ **Service Provider Rate Reform: Independent Living Services** — \$15 million (\$8.5 million General Fund) in 2023-24 and \$60 million (\$34 million General Fund) in 2024-25 and ongoing to adjust Independent Living Services rate assumptions to align the types of services provided with more equivalent occupations such as teachers, social and human services assistants, and rehabilitation counselors.
- ❖ **Coordinated Family Support Services** — \$18 million (\$10.8 million General Fund) to continue funding the Coordinated Family Support pilot program through June 2024, currently funded through the Home and Community-Based Services Spending Plan. The program intends to assist adults living with their families in coordinating the receipt and delivery of multiple services.
- ❖ **Access to Generic Resources** — The Budget clarifies that a regional center will pay for a medical service if either an Individualized Family Service Plan or Individual Program Plan team determines that a medical service identified in a plan is not readily available within 60 days through either their private health insurance or Medi-Cal.

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. CDPH's budget supports activities and services that reinforce the state's commitment to health and well-being of all Californians. The Budget provides \$5.5 billion (\$1 billion General Fund) in FY 2023-24 for the support of CDPH's programs and services. For more information, visit [CDPH's Governor's Budget Highlights Fiscal Year 2023-24](#) or the [CDPH Budget Detail](#).

- ❖ **Public Health Workforce** — The Budget maintains \$97.5 million General Fund over four years, beginning in 2022-23 for various public health workforce training and development programs.
- ❖ **COVID-19 Response** — \$126 million one-time General Fund to continue the State's efforts to protect the public's health against COVID-19 and maintain significant information technology systems, including the California COVID-19 Reporting system for laboratory data management and CalCONNECT for case and outbreak investigation.
- ❖ **Opioid and Fentanyl Response** — \$14 million one-time Opioid Settlement Fund over four years for fentanyl program grants to increase local efforts in education, testing, recovery, support services to implement Chapter 783, Statutes of 2022 (AB 2365), and support innovative approaches to make fentanyl test strips and naloxone more widely available.
- ❖ **Overdose Prevention and Harm Reduction Initiative** — \$61 million one-time Opioid Settlement Fund over four years to provide grants to local health jurisdictions and community-based organizations to support syringe exchange and disposal program activities, including

treatment navigators.

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 IST patients. The Enacted Budget includes \$3.5 billion (\$3.3 billion General Fund) in FY 2023-24 for support of the Department. The Budget includes investments in improving DSH's operations and delivery services, and state hospital facility capital outlay project improvements. The patient population is expected to reach 9,379 by the end of FY 2023-24, including patients receiving competency treatment in jail-based and community-based settings. For more information, visit [DSH's 2023 Budget Act Highlights](#) or the [Departmental of State Hospitals Budget Details](#).

- ❖ **Felony Incompetent to Stand Trial Solutions Program** — DSH continues to build out its continuum of care and anticipates a decrease in waitlist patients through the implementation of new programs and expansion of existing IST treatment programs. DSH has a net savings of \$27.4 million in FY 2022-23; \$3.1 million in FY 2023-24; and \$1 million in FY 2024- 25 and ongoing due to changes in Jail-Based Competency Treatment Program implementation.
- ❖ **Conditional Release Program (CONREP) Non-Sexually Violent Predator (SVP) Program-** DSH anticipated a total contracted caseload of 1,020 CONREP non- SVP clients in FY 2022-23 and 1,038 in FY 2023-2024. As a result of the increase in the CONREP population and associated workload, DSH received an additional \$2.6 million for FY 2023-24 and ongoing to respond to the increase in the CONREP Non-SVP census and associated workload.
- ❖ **Felony Mental Health Diversion Program** — DSH has fully executed five new county contracts as part of the Diversion Pilot Program, which will bring the total of 29 counties that are participating in Diversion programs. As of June 30, 2022, a total of 886 eligible individuals have been diverted to a county-run program.

Department of Health Care Access and Information

The Department of Health Care Access and Information (HCAI) is committed to expanding equitable access to healthcare 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 2023-24 Enacted State Budget includes \$371.6 million (\$189.1 million General Fund) in FY 2023-24 to support the Department. For more information, visit the [Department of Health Care Access and Information Budget Highlight](#) for details.

- ❖ **Promotoras de Salud Program** — \$10 million one-time General Fund to provide community health, behavioral health, and social services support in local communities.
- ❖ **CalRX Naloxone Access Initiative** — \$30 million one-time Opioid Settlement Funds to support the development or procurement of a lower cost, generic version of a naloxone nasal product. This partnership will enable the state to make naloxone more accessible statewide.
- ❖ **Healthcare Workforce Fund Shift** — \$19.4 million fund shift from the General Fund to the Mental Health Services Fund for various behavioral health workforce initiatives.

- ❖ **Community Health Worker Reallocations** — \$115 million General Fund reallocated from FY 2023-24 to 2024-25 and 2025-26 by \$57.5 million for each year.

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. The Budget couples the Administration's \$15.3 billion investment to address homelessness with new accountability measures that hold cities, counties, and Continuums of Care more accountable by requiring coordinated regional plans—identifying each jurisdiction's role, outcome goals, and how local entities are using various state, local, and federal funding sources to reduce homelessness. The Budget includes an additional \$1 billion one-time General Fund, which will also include Homekey funding, to expand access to housing for vulnerable populations with complex behavioral health conditions and people living in encampments. The Budget includes \$400 million one-time General Fund for Encampment Resolution funding grants. For more information visit the [housing and homelessness](#) portion of FY 2023-24 budget.

- ❖ **Homeless Housing, Assistance, and Prevention Program** — As part of the \$1 billion one-time General Fund, the Administration proposed statutory language to prioritize funding allocations that reduce unsheltered homelessness, which includes prioritizing spending on supporting permanent housing and activities, such as Homekey operating sustainability and CARE Act housing supports.
- ❖ **Behavioral Health Continuum Infrastructure Program** — The Budget maintains \$2.2 billion total funds over five years for the Behavioral Health Continuum Infrastructure Program, of which \$50 million in 2022-23 appropriated in 2022 Budget Act is for the Department of General Services, with short-term statutory exemption to deploy an estimated 1,200 small homes in the City of Los Angeles, Sacramento County of, City of San Jose, and San Diego County.
- ❖ **Behavioral Health Bridge Housing Program** — The Budget maintains \$1.5 billion total funds over three years for the Behavioral Health Bridge Housing Program.
- ❖ **CalAIM Transitional Rent** — The Budget includes \$175.3 million (\$40 million General Fund, \$114.9 million federal funds, and \$19.6 million Medi-Cal County Behavioral Health Fund) at full implementation to allow for up to six months of rent or temporary housing to eligible individuals experiencing or at risk of homelessness.

Judicial Branch

The Judicial Branch consists of the Supreme Court, courts of appeal, trial courts, the Habeas Corpus Resource Center, and the Judicial Council. The Judicial Council is responsible for managing the resources of the Judicial Branch. The trial courts are funded with General Funds, county maintenance-of-effort requirements, fines, fees, and other charges. Other levels of the Judicial Branch receive most of their funding from the General Fund. The Budget total funding of \$5 billion (\$3.1 billion General Fund and \$1.9 million billion other funds) in 2023-24 for the Judicial Branch, of which \$2.9 billion is provided to support trial court operations. For more information, see the

[Judicial Branch Chapter](#) of the FY 2023-24 budget.

- ❖ **CARE Act** — The Budget includes \$55.5 million General Fund in 2023-24, \$107 million in FY 2024-25, and \$133 million in 2025-26 for the Judicial Branch to implement the CARE Act (Chapter 319, Statutes of 2022). Of this amount, \$32.7 million in 2023-24, \$55.3 million in 2024-25, and \$68.5 million ongoing is for the administration of this program. The remaining \$22.8 million in 2023-24, \$51.7 million in 2024-25, and \$64.5 million ongoing will support public defender and legal service organizations that will provide legal counsel to CARE participants. For county behavioral health funding, see the [Health and Human Services Chapter](#).
- ❖ **Federal Byrne State Crisis Intervention Program Grant** — Reimbursement authority totaling \$5.9 million in 2023-24 and \$5.7 million in 2024-25 and 2025-26 to support an interagency agreement with the Board of State and Community Corrections to implement federal funds from the Byrne State Crisis Intervention Program. The Judicial Council will implement a statewide project that improves the execution of firearm relinquishment orders and expands and enhances collaborative courts by providing funding, training, and technical assistance.

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 for CDCR of \$14.4 billion (\$14 billion General Fund and \$365.5 million other funds) in 2023-24. See the [CDCR Budget Detail](#) or [Criminal Justice Budget Chapter for more information](#).

By current projections, the average daily adult incarcerated population for 2022-23 is 95,560, a decrease of 0.6 percent since the fall 2022 projections. Spring projections indicate the adult incarcerated population will trend downward, decreasing by 2,678 individuals between FYs 2022-23 and 2023-24 (from 95,560 to 92,882, respectively). On January 1, 2020, before the COVID-19 Pandemic, the CDCR population was 123,977. The population is projected to continue its long-term downward trend, declining to 89,946 in 2025-26.

The average parolee daily population is projected to decrease from 39,646 in 2022-23 to 37,222 in 2023-24. The average daily parolee population is projected to be 39,646 in 2022-23. The parole population is projected to decline to 36,061 by June 30, 2027.

Below are key budget highlights:

- ❖ **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. As a result, CDCR terminated its final in-state contracted correctional facility in May 2021. In September 2021, CDCR closed the Deuel Vocational Institution in Tracy, achieving savings of \$150.3 million in the General Fund annually, beginning in 2022-23. CDCR completed the closure of a second prison in June 2023, the California Correctional Center in Susanville,

which is expected to achieve an estimated \$144.1 million in ongoing annual savings. On December 6, 2022, CDCR announced its plan to terminate the lease of the California City Correctional Facility by March 2024, and it is expected to achieve an estimated \$155.7 million in ongoing annual savings. In addition, CDCR announced the deactivation of specified facilities within six prisons by December 2023. The facilities are located within the California Rehabilitation Center, the California Institution for Men, the California Correctional Institution, Pelican Bay State Prison, the California's Men's Colony, and the Folsom Women's Facility within Folsom State Prison. In total, CDCR estimates approximately \$170 million in ongoing General Fund savings from these facility deactivations.

- ❖ **San Quentin State Prison** — The Budget includes statutory changes to rename the prison as the "San Quentin Rehabilitation Center". Similarly, the Budget includes funding for two capital projects consist with the Administration's vision to support the California Model: (1) \$360.6 million Public Buildings Construction Fund for the demolition of Building 38 and the construction of a new educational and vocational center, and (2) \$20 million General Fund for various improvement projects. In addition, the Advisory Council made the final recommendation of closely informing the scope of the projects, which are planned to be completed in 2025.
- ❖ **Board of Parole Hearings Budget Augmentation to Support Core Functions** — \$4.2 million General Fund in FY 2023-24 and \$2.6 million ongoing to support several core Board of Parole Hearings functions. Includes resources to increase the flat rate for state-appointed attorney fees with one-time funding in FY 2023-24 to remain competitive with market rates; adds a Supervising Administrative Law Judge position; continues an attorney training and monitoring contract; and supports the Board's Information Technology System, which has increased contract costs related to the expansion of the system to meet recent legislative mandates.
- ❖ **Healthcare Services for Incarcerated Individuals** — The Budget continues the State's commitment to delivering healthcare services to incarcerated individuals. The Budget includes a \$3.9 billion General Fund in FY 2023-24 for healthcare programs, which provide access to medical, mental health, and dental care services consistent with the standards and scope of care appropriate with a custodial environment for incarcerated individuals.
- ❖ **Expansion of Tele-Mental Health Services** — In recent years, the use of telehealth services has proven successful at enhancing the Department's ability to deliver critical medical and mental healthcare services to patients while supporting staff recruitment and retention for clinical positions that have been historically hard to fill. Building on the success of these models, the Budget includes \$11 million General Fund and 85 positions in FY 2023-24 and \$17 million and 144 positions beginning in FY 2024-25 to expand the use of tele-mental health within the Statewide Mental Health Program to include psychology and social work disciplines in addition to psychiatry.
- ❖ **Contract Medical Adjustments** — \$39.8 million one-time General Fund to address a projected deficit in the Budget for Contract Medical services, which supports providing specialty care services for patients in prisons and community settings.
- ❖ **CalAIM Justice-Involved Initiative Medi-Cal Reimbursement System** — \$3.3 million one-time (\$200,000 General Fund and \$3.1 million in reimbursement authority) in 2023-24 to enable California Correctional Health Services to begin the development of an information technology

system that supports the Medi-Cal billing process and complements the implementation of the statewide CalAIM Justice Involved Initiative. This will enable the state to draw down federal reimbursements for certain health-related services provided to incarcerated individuals prior to their release. For more information on this visit the [CalAIM Technical Adjustments BCP](#).

Division of Juvenile Justice

The Division of Juvenile Justice (DJJ) closed and ceased operations June 30, 2023, pursuant to Chapter 18, Statutes of 2021 (SB 92). Youth previously committed to DJJ have been transferred to county probation department within their county of commitment. Consistent with the closure of DJJ, the Budget reflects a decrease of \$92.1 million in 2023-24 and \$95.8 million beginning in 2025-26 associated with the closure of DJJ. These adjustments, in addition to those made in the 2022 Budget Act, eliminate funding for DJJ except for certain activities that CDCR will continue, such as the operation of the Pine Grove Conservation Camp.

The Budget also reflects an estimated \$194 million General Fund in 2023-24, consistent with Chapter 337, Statutes of 2020 (SB 823) and inclusive of the required county floor, for the Juvenile Justice Realignment Block Grant to provide funding to counties to deliver appropriate rehabilitative housing and supervision services for realigned youth.

Local Public Safety

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

- ❖ **Proposition 47 Savings** —The Budget includes \$112.9 million General Fund in savings for Proposition 47 in 2023-24. Proposition 47 invests savings from reduced prison utilization into prevention and support of community programs. Funds are allocated according to the formula specified in the voter-approved measure, which requires that 65 percent of funds be allocated for grants to public agencies that support various recidivism reduction programs, 25 percent for grants that support truancy and dropout prevention programs, and 10 percent for grants for victims' services.
- ❖ **Post Release Community Supervision** — The Budget includes \$9.3 million General Fund for county probation departments to supervise the temporary increase of individuals in Post Release Community Supervision as a result of Proposition 57 credit-earning opportunities.
- ❖ **Criminal Records Relief (SB 731)** — \$1.8 million Special Fund in 2023-24 and \$1.5 million in 2024-25 to make information technology modifications to existing systems to provide criminal record relief for eligible individuals according to Chapter 814, Statutes of 2022 (SB 731). Similarly, the Budget includes statutory changes to delay the implementation by one year to provide the Department of Justice sufficient time to implement system modifications.
- ❖ **Sex Offender Registration (SB 384)** — \$1.7 million ongoing General Fund to process workload and provide system support and maintenance to implement Chapter 541, Statutes of 2017 (SB 384), which established a tiered system for sexual offenders and specifies registration timelines and criteria for each tier.
- ❖ **Crime: Race-Blind Charges (AB 2778)**- \$817,000 General Fund in 2023-24 and \$2.4 million

ongoing to collaborate with local jurisdictions to develop guidelines and policies for race-blind charging, perform document redaction, and review additional criminal cases pursuant to Chapter 806, Statutes 2022 (AB 2778)

Labor and Workforce Development

The 2022 Budget invested approximately \$2.2 billion General Fund towards the State's goals of increasing the number of apprenticeships; workforce training to mitigate the effects of climate change; and creating more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce. The 2023 Budget maintains those investments, particularly those targeted towards individuals who are at risk or on the edge of the labor market, such as young adults, women, people of color, and those with barriers to employment. For more information see the [Labor and Workforce Development Budget Summary](#).

- ❖ **Health Workforce-** The 2022 Budget Act invested \$256.8 million General Fund in 2022-23, \$361.7 million General Fund in 2023-24, and \$369.9 million General Fund in 2024-25 for healthcare workforce grant programs administered by HCAI. The Budget maintains this funding and shifts a portion across fiscal years and changes the fund source of \$196.4 million in 2023-24 from General Fund to Mental Health Services Fund resulting in \$988.4 million in total funding (\$188.8 million in 2022-23, \$314.7 million in 2023-24, \$427.3 million in 2024-25, and \$57.5 million in 2025-26).

General Government and Statewide Issues

The Budget includes funding proposals in various departments that will impact the BH/JI population. Innovative work to research genetics related to Adverse Childhood Experiences and depression; mental health crisis numbers; funds to build strong communities and address racism; free school meals; and funding to build capacity and infrastructure of the community-based organizations that provide vital services to the most vulnerable communities. For more information see the [General Government and Statewide Issues Budget Summary](#).

Governors' Office of Planning and Research

- ❖ **Racial Equity and Youth Empowerment Commissions** — \$3.8 million General Fund in 2023-24 and \$3.1 million in 2024-25 through 2029-30 to support the Racial Equity Commission and Youth Empowerment Commission. Of this amount, \$1.5 million is a net-zero transfer from the Youth Empowerment Commission to the Office of Planning and Research (OPR). In addition, the Budget includes statutory changes to transfer the Youth Empowerment Commission to the OPR and extend the sunset date for both the commissions to January 1, 2030.
- ❖ **Information Technology Unit** — \$5.3 million ongoing General Fund and 15 positions in FY 2023-24 to establish an Information Technology Unit within OPR to support internal department oversight and Administration of information technology needs.
- ❖ **COVID-19 Outreach** — A reduction of \$80 million one-time General Fund in 2022-23 for COVID-19 outreach administered by the Office of Community Partnerships and Strategic Communities within OPR. This reduction leaves a total of \$150 million General Fund available for the outreach campaign.