
Governor's Enacted State Budget Fiscal Year 2024-25

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

Annually, CCJBH reviews the Governor's Proposed Budget, May Revision, and Enacted Budget to inform Councilmembers of the potential investments that may be beneficial to the population served by the public criminal justice, behavioral health, housing, and social services systems. The past several years has reflected significant attention to the needs of the behavioral health and justice-involved (BH/JI) population. This document highlights specific excerpts from the California Fiscal Year (FY) 2024-25 Enacted Budget, 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 [Governor's Budget Summary](#) identifies investments proposed to ensure vulnerable people have the necessary help to access shelter and mental health services, if needed. Despite facing a shortfall, California remains committed to expanding access to high-quality education, health care, and opportunities for innovation and growth, while responsibly managing finances. The Budget utilizes funds from the Budget Stabilization Account (BSA) of approximately \$5.1 billion in 2024-25 and \$7.1 billion in 2025-26, to allow addressing of structural budget issues in 2024-25 and provide greater budget resiliency. Similarly, the Budget reflects total reserve balances of \$22.2 billion at the end of 2024-25, which includes \$17.6 billion in the BSA, \$3.5 billion in the Special Fund for Economic Uncertainty (SFEU), and \$1.1 billion in the Public School System Stabilization Account. The Budget also includes a positive SFEU in 2025-26 of \$1.5 billion, which provides the state with a more solid fiscal footing that allows the balancing of the Budget through the next two fiscal years.

Budget Impacts on the BH/JI Population

The Budget includes various adjustments and reallocations aimed at balancing state finances, which broadly affect the BH/JI population. The reallocation of funding that supports workforce development, social services, housing, and other services has the potential to impact the state departments' ability to aid and support vulnerable children, adults, and families. Reductions on initiatives that support workforce development can impact the state's ability to address the behavioral health workforce shortage. With fewer professionals in the field, access to essential behavioral health services could be limited, resulting in longer wait times for services, reduced availability of specialized care, and a potential increase in untreated mental health and substance abuse issues within the BH/JI population. Similarly, decreased funding in peer support services can limit the employment opportunities for individuals with lived experience who work as peers, community health workers, and wellness coaches, thereby impacting the support and services available to the BH/JI population. The reduction in social services, such as those provided by the

California Department of Social Services and the California Department of Developmental Services, can potentially affect an individuals' ability to meet basic needs such as food and shelter. Furthermore, reductions in mental health and substance abuse services can impact an individual's ability to access the necessary support and crisis intervention assistance, lead to untreated conditions, and a lack of crisis intervention. Diminished mental health and substance abuse services have the potential to increase recidivism and worsen the mental health conditions for the BH/JI population. Alongside the budgetary adjustments and reallocations, the Budget has included funding from new statewide initiatives and bonds, such as Proposition (Prop) 1.

The 2024-25 Budget continues to strengthen California's focus on addressing homelessness and behavioral health challenges. Prop 1 allocates \$6.38 billion in bonds to enhance mental health treatment facilities and supportive housing, including \$1.05 billion for homeless veterans with mental health or substance use disorders and \$922 million for individuals with behavioral health needs at risk of homelessness. Additionally, \$4.39 billion is designated for expanding the Behavioral Health Continuum Infrastructure Program (BHCIP), supporting a comprehensive approach to service delivery and infrastructure enhancement. These substantial investments aim to counterbalance significant reductions in other housing and support programs, ensuring the continuity of critical services. The continued funding for the Behavioral Health Bridge Housing (BHBH) and BHCIP emphasizes the state's commitment to maintaining and expanding essential behavioral health treatment and housing services. This strategic allocation of resources seeks to modernize California's behavioral health system, providing comprehensive support and treatment options, thus mitigating the impact of budgetary constraints and enhancing overall quality of life for vulnerable groups. The implementation of Prop 1 will enable the modernization of the state's behavioral health system, as well as support other crucial services for the BH/JI population. As a result, it is crucial that the Budget continues to address these funding reductions to ensure the continued support and stability of this population. Below are some key elements and highlights of specific excerpts from the Budget:

Key Elements of the Governor's Budget

The Budget addresses a \$46.8 billion deficit for the 2024-25 through broad-based solutions.

- Reductions – \$16.0 billion. Significant solutions include:
 - **Ongoing Reductions to State Operations** – Approximately 7.95% reduction beginning in 2024-25, impacting personnel, operating costs, and contracting for General Fund savings of \$2.17 billion.
 - **Vacant Position Sweep** – Permanent reduction of \$1.5 billion (\$762.5 million General Fund) in 2024-25 by reducing departments' budgets for vacant positions.
 - **Children and Youth Behavioral Health Initiative (CYBHI)** – Reduction of \$72.3 million General Fund in 2023-24 and \$313.9 million General Fund in 2024-25 for school-linked partnership and capacity grants for higher education institutions, services and supports platforms, evidence-based and community-defined grants, and public education and change campaign. The Budget maintains \$4.1 billion across several departments for this initiative.

- **California Department of Corrections and Rehabilitation** – Reduction of \$358 million above the statewide reductions, totaling \$750 million from 2022-23 through 2024-25.
- **California Student Housing Revolving Loan Program** – Reduction of approximately \$500 million.
- **Learning-Aligned Employment Program** – Reduction of \$485 million one-time, reflecting the balance of unspent resources.
- **Middle Class Scholarship Program** – An ongoing reduction of \$110 million beginning in 2025-26.
- **Housing** – Reduction of \$1.1 billion to various affordable housing programs.
- **Healthcare Workforce** – Reduction of \$746.1 million for various healthcare workforce programs.
- **Reductions of State and Local Public Health** – Reversion of \$41.5 million one-time in 2023-24 and an ongoing reduction of \$8 million and \$15.9 million for state and local public health efforts, respectively, which aligns with all other state 7.95-percent efficiency reductions.
- Revenue/Internal Borrowing – **\$13.6 billion**. The Budget includes additional revenue sources and borrows internally from special funds. Significant solutions in this category include:
 - **Net Operation Loss (NOL) Suspension and Credit Limitation** – The Governor's Budget suspends NOL for companies with over \$1 million in taxable income and limits business tax credits to \$5 million in 2024, 2025, and 2026, which is projected to increase revenues by \$5.95 billion, \$5.5 billion, and \$3.4 billion in fiscal years 2024-25, 2025-26 and 2026-27, respectively.
 - **Managed Care Organization (MCO) Tax (Medicare Revenue)** – An increase of the MCO Tax of \$5.1 billion in 2024-25, \$4.6 billion in 2025-26, and \$4.0 billion in 2026-27 to support the Medi-Cal program compared to the 2023 Budget Act, including the Early Action and Medicare revenue amendments to increase the MCO tax.
- Reserves – **\$6.0 billion**. The Budget withdraws \$12.2 billion from the BSA over the next two fiscal years - \$5.1 billion in 2024-25 and \$7.1 billion in 2025-26 – and \$900 million from the Safety Net Reserves in 2024-25.
- Delays and Pauses – **\$3.1 billion**. The Budget minimizes the use of delays to avoid an increase in future obligations and potential shortfalls. Delays include:
 - **California Food Assistance Program Expansion** – Delays for two years the California Food Assistance Program expansion automation to now begin in 2026-27 with benefits beginning in 2027-28.
 - **Department of Developmental Services Provider Pay Delays** – Delays implementation of increased provider pay by six months to January 1, 2025.

- **Child Care Slots** – Funds approximately 11,000 new slots that received tentative awards and pauses additional expansion slots by two years (2026-27). After two years, additional slots are subject to appropriation.
- **Broadband Last Mile** – Delays \$550 million to 2027-28.
- **Broadband Last Mile** – The Budget proposes a delay of \$200 million from 2025-26 to 2027-28.
- **Deferrals – \$2.1 billion.** The Budget defers certain payments to later years. These include:
 - **Payroll Deferral** – Defers \$3.2 billion (\$1.6 billion General Fund) for one month of state employees' payroll costs
 - **UC/CSU Compact Deferral** – Defers \$524 million from 2025-26 to 2026-27 and from 2026-27 to 2027-28.
- **Fund Shifts – \$6.0 billion.** The Budget shifts certain expenditures from the General Fund to other funds. Significant solutions include:
 - **Prop 2 Supplemental Payment** – Applies a prior CalPERS Supplemental Pension Payment to the state's overall pension liability which reduces the required employer contributions in 2024-25 by \$1.7 billion (\$1.3 billion General Fund).
 - **Formula and Competitive Transit and Intercity Rail Capital Program** – Shifts \$958 million General Fund from 2023-24 and 2024-25 to the Greenhouse Gas Reduction Fund.
 - **Clean Energy and Other Climate Programs** – Shifts \$3 billion from 2023-24 and 2024-25 General Fund to the Greenhouse Gas Reduction Fund.

Protecting Priorities

The Budget continues to protect commitments that increase the availability and affordability of housing while addressing homelessness and expanding/enhancing health care services. Despite the necessary budget adjustments, the Budget maintains critical services for Californians most in need and allocates funds to combat crime and improve public safety. Specific updated investments to advance priorities with potential impact on the BH/JI population are as follows:

- ❖ **Health Care** — The Budget maintains the commitment to increasing access to health care for all Californians, regardless of immigration status, and especially for low-income individuals. It includes over \$10 billion for the California Advancing and Innovating Medi-Cal (CalAIM) initiative and \$7.7 billion (\$351.5 million General Fund, \$87.5 million Behavioral Health Services Fund (BHSF), \$2.6 billion Medi-Cal County Behavioral Health Fund, and \$4.6 billion in federal funding for the Behavioral Health Community-Based Organized Networks of Equitable Care and Treatment (BH-CONNECT) Demonstration, ensuring that critical health services continue to be available and accessible to those who need them the most.

- ❖ **Homelessness** — The Budget aligns the Administration's \$15.3 billion investment to address homelessness with new accountability measures. These measures hold cities, counties, and continuums of care more responsible by mandating coordinated regional plans. These plans must outline each jurisdiction's role, outcome goals, and detail how local entities are using various state, local, and federal funding sources to reduce homelessness. The Budget includes \$1.25 billion in new funding for homelessness programs. Which includes:
 - **Homeless Housing, Assistance, and Prevention (HHAP) Program Round Six:** \$1 billion General Fund dollars in 2024-25.
 - **Encampment Resolution Fund (ERF) Grants:** \$250 million General Fund dollars for ERF grants (\$150 million in 2024-25 and \$100 million in 2025-26).
- ❖ **Public Safety** — The Budget continues to prioritize public safety with commitments exceeding \$1.4 billion across multiple programs. Key allocations include \$369.9 million over four years for combating organized retail theft, \$88 million for programs combatting Illicit drugs (i.e. Fentanyl Enforcement Program, Drug Interdiction Program), and \$65 million for officer wellness and training initiatives. Other notable investments include \$46 million for gun violence prevention legislation. The Budget also highlights investments in combating human trafficking, and domestic and sexual violence, highlighting a comprehensive approach to enhancing community safety and supporting victims. Additionally, the Budget maintained a budgetary loan of \$175 million in 2024-25 from the Cannabis Tax Fund from the General Fund. This measure aims to support broader financial stability efforts without imposing new taxes on residents.
- ❖ **Behavioral Health Continuum** — The 2024-25 Budget maintained over \$8 billion in total funds allocated across various Health and Human Services departments. This funding was intended to expand the continuum of behavioral health treatment and infrastructure capacity, with a strong focus on transforming the system for providing behavioral health services to children and youth. However, in response to the current budget deficit, the Budget has made significant reductions to BHCIP funding including a reversion of \$450.7 million General Fund from the last round of BHCIP, leaving \$1.75 billion (\$1.2 billion General Fund).

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 \$260.8 billion (\$71.6 billion General Fund and \$189.1 billion other funds) for all health and human services programs in 2024-25. For more information, visit the [Health and Human Services Budget Summary](#).

The Budget provides the following significant adjustments to the Health and Human Services Budget:

- ❖ **CYBHI** — A \$72.3 million General Fund reduction in 2023-24 and \$313.9 million General Fund in 2024-25 for school-linked partnership and capacity grants for higher education institutions, services and supports platforms, evidence-based and community-defined

grants, and public education and change campaign. The Budget also maintains \$4.1 billion across several departments to support efforts for children and youth with behavioral health needs.

- ❖ **Health Care Affordability Reserve Fund Loans** – The Budget includes a budgetary loan of \$62 million in 2024-25 and \$109 million in 2025-26 from resources not projected to be used for operational/programmatic purposes. Similarly, the Budget includes annual repayments of \$200 million in 2026-27, 2027-28, and 2028-29 for a previously authorized \$600 million loan to the General Fund.

Department of Health Care Services

California's Medicaid program, Medi-Cal, is administered by the Department of Health Care Services (DHCS). Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost to low-income individuals. In addition to Medi-Cal, the Department oversees county-operated community mental health and substance use disorder programs, as well as the California Children's Services and the Primary and Rural Health Programs.

The Medi-Cal budget includes \$161 billion (\$35 billion General Fund) in FY 2024-25, Medi-Cal is projected to cover approximately 14.5 million Californians in 2024-25—more than one-third of the state's population. For more information, visit the [DHCS Departmental Summary](#).

- ❖ **Managed Care Organization (MCO) Tax** — The Budget includes \$133 million in 2024-25, \$728 million in 2025-26, and \$1.2 billion in 2026-27 for new targeted Medi-Cal provider rate increases and investments from the MCO Tax. Rate increases and investments include physician services, emergency department services, transportation services, and other services. Some new rate increases will be effective on January 1, 2025, and others on January 1, 2026.
 - Additionally, a one-time allocation of \$40 million is set for 2026-27 to strengthen and support the development and retention of the Medi-Cal workforce. These increases became effective on January 1, 2024. However, if the MCO Tax initiative on the November 2024 ballot is approved by voters, the 2024 Budget Act MCO Tax package will become inoperable due to fiscal constraints. The budget reflects an increased MCO Tax of \$5.1 billion in 2024-25, \$4.6 billion in 2025-26, and \$4 billion in 2026-27 to support the Medi-Cal program. Overall, the MCO Tax helps maintain existing services in the Medi-Cal program with \$6.9 billion in 2024-25, \$6.6 billion in 2025-26, and \$5 billion in 2026-27 allocated for this purpose.
 - Due to a continued revenue decline, which has led to insufficient Proposition (Prop) 56 revenues to fully cover the cost of Prop 56 funded provider payments, the Budget reduces Prop 56 funding for physician services supplemental payments by \$193.4 million (\$77.1 million from Prop 56) in 2024-25. Additionally, it includes \$145.4 million one-time from the MCO Tax to support Medi-Cal physician services supplemental payments and other services (e.g., family planning and women's health) in 2024-25.
- ❖ **Full Scope Medi-Cal for Adults Aged 26-49** – The Budget includes \$3.3 billion (\$2.8 billion General Fund) in 2024-25 and approximately \$3.4 billion (\$2.9 billion General Fund) ongoing. As of January 1, 2024, this allocation includes costs for In-Home Supportive Services, full-scope Medi-Cal eligibility to income-eligible adults aged 26 to 49 regardless of immigration

status. This expansion allows for Medi-Cal health coverage to all income-eligible Californians.

- ❖ **BH-CONNECT Demonstration** – The Budget includes \$7.7 billion (\$351.5 million General Fund, \$87.5 million Behavioral Health Services Fund, \$2.6 billion Medi-Cal County Behavioral Health Fund, and \$4.6 billion federal funds) through the term of the DHCS and DSS waivers to implement the BH-CONNECT Demonstration by January 1, 2025.
- ❖ **Behavioral Health Reform** – The Budget includes a \$202.6 million (\$77.9 million General Fund, \$29.3 million Behavioral Health Services Fund, \$31.6 million Opioid Settlement Fund, and \$63.8 million federal funds) in 2024-25 for DHCS, Department of Health Care Access and Information (HCAI), and the Mental Health Services Oversight and Accountability Commission (MHOAC) to initiate the implementation of Prop 1. Of this funding, \$85 million (\$50 million General Fund) is allocated to county behavioral health departments.
- ❖ **Behavioral Health Infrastructure Bond Act** – The Budget includes \$6.4 billion in bonds pursuant to the Behavioral Health Infrastructure Bond (Prop 1) for DHCS and the Department of Housing and Community Development (HCD) to support new behavioral health treatment beds, outpatient capacity, and permanent supporting housing units for individuals with behavioral health needs.
- ❖ **CYBHI Initiative Wellness Coaches** – The Budget includes \$9.5 million (\$4.1 million General Fund) in 2024-25 increasing annually to \$78 million (\$33.8 million General Fund) in 2027-28 to establish the wellness coach benefit in Medi-Cal effective January 1, 2025. The Wellness coaches will be part of a care team in a school-like settings and across the Medi-Cal behavioral health delivery system that will serve children and youth.
- ❖ **Home and Community-Based Services Waiver Slot Increases** – The Budget increases slots for the Assisted Living Waiver and the Home and Community- Based Alternatives Waiver, resulting in a \$10.8 million General Fund Savings in 2024-25.
- ❖ Addressing the Budget Problem – To address the projected budget shortfall, the Budget includes the following General Fund solutions:
 - **BHCIP** — The Budget includes a \$450.7 million General Fund one-time reversion from the last round of BHCIP. This leaves \$1.75 billion (\$1.2 billion General Fund) to support existing programs.
 - **Behavioral Health Bridge Housing** — The Budget includes a \$250 million net reduction in total funding, maintaining a \$1.25 billion (\$1.2 billion General Fund) for this program. Similarly, the Budget includes \$132.5 million General Fund in 2024-25 and \$117.5 million (\$27.5 million General Fund, \$90 million Behavioral Health Services Fund) in 2025-26 for the final round of grants.
 - **Equity and Practice Transformation Payment to Providers** – The Budget includes a reduction of \$280 million one-time fund expenditure over multiple years for grants to Medi-Cal providers for primary care infrastructure, which leaves \$140 million (\$70 million General Fund) one-time included in the 2022 Budget Act.
 - **Safety Net Reserve Withdrawal** – The Budget withdraws \$900 million from the Safety Net Reserve to maintain program benefits and services for the Medi-Cal and CalWORKs programs.

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 Budget includes \$8.8 billion total Temporary Assistance for Needy Families (TANF) in 2024-25. The average monthly caseload for CalWORKs is approximately 354,772 families. For more information, see the [CDSS Departmental Summary](#).

- ❖ **CalWORKs Grant Increase** – The Budget includes a \$10.5 million increase to support a 0.3 percent increase to the CalWORKs Maximum Aid Payment level starting October 1, 2024. This grant is fully funded by the Child Poverty and Family Supplemental Support Subaccount of the 1991 Local Revenue Fund.
- ❖ **Work Participation Rate Pilot** – The Budget includes provisional language to increase CDSS's budget for state operations and up to \$2.4 million for automation costs if California is selected to participate in the pilot. The federal Fiscal Responsibility Act of 2023 allows for up to five states to participate in a pilot to promote accountability and test alternative benchmarks for work and family outcomes in lieu of the work participation rate.
- ❖ **Children's Programs** — Child Welfare Services provides family support and maltreatment prevention services, child protective services, foster care services, and adoptions. The budget includes \$9.8 billion (\$900.6 million General Fund) in 2024-25 for these programs. Additionally, the budget establishes a Tiered Rate Structure for foster care to support strength-building and address the immediate needs of children and youth. This permanent foster care rate structure is anticipated to begin implementation on July 1, 2027.
- ❖ **Foster Care Rate Structure Automation** — The Budget includes an increase of \$6.9 million (\$4.4 million General Fund) in 2024-25 and \$13.7 million (\$9 million General Fund) in 2025-26 to initiate the automation of the foster care Tiered Rate Structure in the California Statewide Automated Welfare System and the Child Welfare Services-California Automated Response and Engagement System.
- ❖ **In-Home Supportive Services** – The In-Home Supportive Services (IHSS) provides domestic and related services to eligible low-income individuals with disabilities regardless of immigration status and includes children, adults, and low-income individuals ages 65 and older. The average monthly caseload for IHSS is estimated to be 703,921 recipients in 2024-25. The Budget includes \$25 billion (\$9 billion General Fund) for the IHSS program in 2024-25.
- ❖ **Addressing the Budget Problem** – To address the projected budget shortfall, the Budget includes the following General Fund solutions to achieve a balanced budget:
 - **CalWORKs Employment Services Intensive Case Management** – The Budget includes a \$47 million General Fund reduction in 2024-25 and ongoing for CalWORKs employment services intensive case management services.
 - **CalWORKs Expanded Subsidized Employment** – The Budget includes a \$30 million General Fund reversion in 2023-24 and \$37 million General Fund reduction in 2024-25 for CalWORKs Expanded Subsidized Employment. Similarly, the Budget continues to provide \$97.1 million for this purpose.

- **CalWORKs Mental Health and Substance Abuse Services** – The Budget includes a \$30 million General Fund reversion in 2023-24 and \$37 million General Fund reduction in 2024-25. In addition, the Budget includes \$26 million General Fund in 2025-26 for CalWORKs mental health and substance abuse services and continues to provide \$89 million for these services.
- **CalWORKs Home Visiting Program** – The Budget includes a \$30 million General Fund reversion in 2023-24 and a \$25 million General Fund reduction in 2024-25 and 2025-26 for the CalWORKs Home Visiting Program. Furthermore, the Budget continues to provide \$74.3 million for this program.
- **CalFresh Program** – The CalFresh is California's version of the Supplemental Nutrition Assistance Program, which provides federally funded benefits for eligible families to purchase food needed to maintain adequate nutrition. This program on a monthly average has an estimated caseload of 3,089,948 households in 2024-25. The Budget includes \$4.9 billion in total CalFresh and nutrition expenditures and \$12.3 billion in food benefits that will be provided directly to recipients by the federal government.
- **California Food Assistance Program Expansion (CFAP)** – The Budget delays the implementation of the CFAP expansion to adults 55 and over from October 1, 2025, to October 1, 2027.
- **Housing Supplemental for Foster Youth in Supervised Independent Living Placements (SILP)** – The Budget includes a \$200,000 General Fund reduction in 2024-25 and \$18.8 million General Fund in 2025-26 and ongoing for the housing supplement for foster youth in SILP. Once implemented the Tiered Rate Structure will result in an increase to the SILP reimbursement.
- **Bringing Families Home** – The Budget includes a \$40 million General Fund delay in 2025-26 and another \$40 million General Fund in 2026-27.
- **In-Home Supportive Services Permanent Backup Provider System** – The Budget includes a \$3 million one-time General Fund reduction in 2024-25 to the In-Home Supportive Services Permanent Backup Provider System.
- **Housing and Disability Advocacy Program** – The Budget includes a of \$50 million General Fund reversion for the Housing and Disability Advocacy Program in 2025-26 and a reappropriation of up to \$100 million General Fund to be available through 2025-26.

Department of Developmental Services

The Department of Developmental Services (DDS) provides individuals with intellectual and developmental disabilities a variety of services entitlements that allow them to live and work independently or in supported environments. The Budget includes \$15.9 billion (\$10.3 billion General Fund) and estimates that approximately 465,000 individuals will receive services in FY 2024-25. For more information, visit the [DDS Departmental Summary](#).

- ❖ **Reimbursement System Project** – The Budget provides a \$8.3 million General Fund increase in 2024-25 (inclusive of \$5 million reappropriated from the 2021 Budget Act), \$2.4 million in 2025-26, and \$1.8 million in 2026-27 and ongoing to support information technology for the department's federal claims system.
- ❖ **Uniform Fiscal System Modernization and Consumer Electronic Records Management System Projects** – The Budget provides a \$6.4 million (\$1 million General Fund) increase for continued project planning efforts supporting fiscal system and electronic records projects.
- ❖ **Addressing the Budget Problem** — To address the projected budget shortfall, the Budget includes General Fund solutions to achieve a balanced budget. These include:
 - **Direct Service Professional Internship Program** – Revert one-time resource appropriation of \$20 million in the Budget Act of 2022 for the direct service professional internship program.
 - **Service Provider Rate Reform** – A \$510.4 million (\$306.2 million General Fund) reduction to delay the next step in service provider rate reform by six months from July 1, 2024, to January 1, 2025. This action includes a conforming General Fund reductions of \$777,000 General Fund for Department of Rehabilitation job coaching rates. The Budget maintains approximately \$2.2 billion (\$1.3 billion General Fund) in 2024-25 to support ongoing implementation of rate reform.
 - **Regional Center Staff Tuition Reimbursement** – A \$18.6 million General Fund reversion from uncommitted regional center staff tuition reimbursement funds.
 - **Direct Service Professional Training Stipends** – A \$10 million General Fund reversion of unspent direct service professional training stipends.

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 number of felony incompetent to Stand Trial (IST) patients awaiting transfer to DSH. DSH's Budget for 2024-25 totals \$3.3 billion. The 2024 Budget Act reflects a net decrease of \$140.9 million in 2024-25 from the General Fund. As of June 10, 2024, DSH has a total of 709 patients pending placement. For more information, see the [DSH Departmental Summary](#).

- ❖ **Incompetent to Stand Trail (IST) Solutions** — DSH continues to increase its IST continuum of care through the expansion of existing IST treatment programs and reports a current waitlist of 375 IST individuals as of June 10, 2024. DSH reported one-time savings of \$49.9 million in 2024-25 due to activation delays in Jail-Based Competency Treatment (JBCT) and Community Based Restoration (CBR)/Diversion programs, and for county stakeholder contracts not executed in FY 2023-24. Additionally, DSH shifted \$129.5 million from 2025-26 to 2026-27 to better align with program implementation timelines. DSH also received position authority for 2.0 positions to support the workload associated with administering the Felony IST Growth Cap Program. This change represents a reduction of approximately 25 percent from the waitlist of 501 reported in the 2024-25 Governor's Budget. Furthermore, of the 375 individuals on the waitlist pending admission to a treatment bed, 124 are receiving substantive treatment services through the Early Access and Stabilization Services program or other treatment programs. Only 251 individuals on the waitlist are individuals who are not

yet receiving treatment services from a DSH program.

- ❖ **CONREP Non-Sexually Violent Predators (SVP)** – DSH continues to expand its continuum of care and anticipates a total contracted caseload of 960 in 2023-24 and 938 in 2024-25. The estimated census on June 30, 2025, reflects 685 non-SVP patients.
- ❖ **CONREP SVP Caseload Update** – DSH continues to project a total caseload of 31 SVPs to be conditionally released into the community by June 30, 2025.

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 \$261.1 million in 2024-25 to support the Department. For more information, see the [HCAI Department Summary](#).

- ❖ **Healthcare Workforce** — A \$746.1 million General Fund reduction over five years: \$200.6 million in 2023-24, \$299.9 million in 2024-25, \$213.6 million in 2025-26, \$16 million in 2026-27 and ongoing.
 - **Behavioral Health Services Fund** – The Budget eliminated \$189.4 million planned for 2025-26.
 - **Work Education Training** – The Budget maintains \$2.1 million General Fund in 2023-24.
 - **California Medicine Scholars Program** – The Budget maintains \$8.4 million from 2024-25 through 2026-27.
 - **Song-Brown Nursing** – The Budget maintains \$98.4 million General Fund for Song-Brown residencies and nursing in 2023-24.
 - **Prior Year Healthcare Workforce** – The Budget maintains \$357.7 million General Fund from previous workforce investments including California Medicine Scholars, nursing, the CYBHI, Song-Brown residencies, community health workers, addiction psychiatry fellowships, and psychiatry graduate medical education.
- ❖ **Behavioral Health Reform** – \$202.6 million in 2024-25 for DHCS, HCAI, and the Mental Health Services Oversight and Accountability Commission to initiate the implementation of Prop 1. See DHCS section above for more information.

Housing and Homelessness

Prop 1, appearing on the March 2024 ballot, authorizes \$6.38 billion in bonds to build mental health treatment facilities and provide supportive housing for the homeless. Specifically, it allocates:

- \$1.05 billion for permanent supportive housing for homeless veterans with mental health or substance use disorders.
- \$922 million for permanent supportive housing for people experiencing or at risk of homelessness with behavioral health needs.
- \$4.393 billion for grants to expand behavioral health treatment and housing resources under the Behavioral Health Continuum Infrastructure Program.

In addition, this funding aims to modernize California's behavioral health system by expanding services and housing interventions, which will benefit the BH/JI population by providing more comprehensive support and treatment options, thus helping to mitigate the impact of the following budget cuts in the Budget. For more information see the [Housing and Homelessness section](#).

- ❖ **Homeless Housing, Assistance and Prevention (HHAP) Round 5 Grant Program** – The Budget reflects a reduction of \$260 million one-time in FY 2025-26 for HHAP Round 5 supplemental grant funding.
- ❖ **Infill Infrastructure Grant Program** – The Budget reflects a reversion of \$235 million General Fund leaving \$94 million for the program.
- ❖ **Multifamily Housing Program** – The Budget reflects a reversion of \$10 million General Fund leaving \$315 Million in 2023-24, eliminating future program funding for this cause.
- ❖ **CalHome Program** – Initial funding for this program was \$305.5 million, however, to align with broader cuts observed throughout various housing programs, there has been a reduction of \$152.5 million, leaving \$152.5 million for 2024-25.
- ❖ **Adaptive Reuse Program** – The Budget reduces \$127.5 million General Fund, which eliminates the program.
- ❖ **Foreclosure Intervention Housing Preservation Program** – The Budget made a total reduction of \$484 million General Fund which would result in the elimination of the program.
- ❖ **Veteran Housing and Homelessness Prevention Program** – The Budget reverses \$76 million General Fund, which leaves \$48 million for 2024-25, down from the initial funding amount of \$125 million.
- ❖ **Bringing Families Home Program** – The Budget delays \$40 million General Fund to 2025-26 and a subsequent \$40 million reduction General Fund to 2026-27. These reductions will leave \$92.5 million in available funding.
- ❖ **Housing and Disability Advocacy Program** – The Budget reverses \$50 million General Fund in 2025-26 with a reappropriation of up to \$100 million General Fund to be available through 2025-26.
- ❖ **Significant Budget Adjustments** – Building on the state's commitment to addressing homelessness and behavioral health needs, the budget includes targeted funding allocations totaling \$1.25 billion. These funds are dedicated to enhancing infrastructure and services through the Homeless Housing, Assistance, and Prevention (HHAP), the Encampment Resolution Fund (ERF), BHCIP, and Behavioral Health Bridge Housing (BHBH) Program. These investments reflect a comprehensive approach to not only transition individuals from homelessness into stable housing but also to support and expand critical behavioral health infrastructure across the state.
 - **HHAP Program Round Six** – The Budget provides \$1 billion General Fund dollars for a sixth round of HHAP grants to cities, counties and continuums of care.
 - **ERF Grants** – The allocation for ERF Grants reflects a strategic investment by California's state government to address the pressing issue of unsheltered homelessness. The Budget designates \$250 million from the General Fund for subsequent rounds of ERF grants, with \$150 million earmarked for 2024-25 and an

additional \$100 million for 2025-26. This allocation underscores a commitment to not only transitioning individuals from encampments into safe and stable housing, but also to restoring public spaces impacted by these encampments. The structured funding across two fiscal years demonstrates a phased approach, allowing for continuous support and adaptation of strategies to improve the quality of life for affected individuals and communities, while also ensuring fiscal responsibility within the state's broader budgetary framework.

- **Behavioral Health Bridge Housing (BHBH)Program** – The adjustment to the BHBH Program signifies a notable shift in resource allocation within California's fiscal planning. The net reduction of \$250 million in total funding reflects a strategic reallocation of state resources amidst broader fiscal constraints. Despite the cutback, the program retains substantial funding, with \$1.25 billion earmarked, predominantly from the General Fund. For the 2024-25 fiscal year, \$132.5 million will be allocated solely from the General Fund, while the 2025-26 fiscal year will see a more diversified funding mix, including \$27.5 million from the General Fund and an additional \$90 million from the Behavioral Health Services Fund. This phased funding approach, particularly focusing on the final round of grants, underscores the state's commitment to maintaining critical transitional housing and support services for individuals with behavioral health needs, even as it navigates fiscal austerity measures.
- **BHCIP** – The Budget adjustments to BHCIP illustrate a reallocation of financial resources aimed at optimizing the state's fiscal stability while still maintaining crucial support for existing projects. The budget includes a reversion of \$450.7 million from the General Fund for the final round of this program, reducing the total available to \$1.75 billion, of which \$1.2 billion is sourced from the General Fund. This reduction specifically involves reverting \$70 million in the 2024-25 fiscal year and a more significant \$380.7 million in 2025-26. Despite these cutbacks, the remaining funds are earmarked to continue supporting existing infrastructure projects, which are vital for enhancing the state's behavioral health services. This strategic funding reallocation ensures that ongoing projects receive the necessary resources to maintain momentum, albeit within a tighter financial framework, highlighting the state's commitment to sustaining essential services while managing budgetary constraints.

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 a total funding of \$14.3 billion (\$13.9 million General Fund and \$380.4 million in other funds) for CDCR in FY 2024-25 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, see the [Corrections, Public Safety, and General Government Section.](#)

The average daily adult incarcerated population for FY 2024-25 is now projected to be 94,138, which is a 0.1 percent decrease since the fall 2023 projections. Spring projections indicate the adult incarcerated population will trend downward, decreasing by 3,278 individuals between FY 2023-24 and FY 2024-25 (from 94,138 to 90,860, respectively). On January 1, 2020, prior to the COVID-19 Pandemic, the CDCR population was 123,977. The population is projected to continue its long-term downward trend, declining to 88,680 in FY 2026-27. Below are key budget highlights:

- ❖ **Prison Capacity** – The deactivation of several CDCR Institutions (e.g., Deuel Vocational Institution, California Correctional Institution (Tehachapi), California Training Facility (Soledad), California Correctional Center (Susanville), California Rehabilitation Center (Norco), California Institution for Men (Chino), California Correctional Institution (Tehachapi), Pelican Bay State Prison (Crescent City), California Men's Colony (San Luis Obispo), Folsom Women's Facility within Folsom State Prison, and the California City Correctional Facility) resulted in annual ongoing savings of over \$658 million General Fund. CDCR announced in December 2022 the planned closure of Chuckawalla Valley State Prison, which has been accelerated to November 2024. The closure of this institution is estimated to result in a one-time \$87 million General Fund savings in 2023-24 and an annual \$148 million General Fund savings starting in 2025-26. Similarly, the Budget includes \$9.6 million General Fund savings in 2024-25 and increasing to \$11.1 million ongoing to reflect a reduction in administrative workload and positions associated with supporting the four prison closures.
- ❖ **Housing Unit Deactivations** – The Administration will deactivate 42 housing units across 11 prisons, which will result in an estimated \$82 million General Fund annual ongoing savings. The deactivation of these housing units will allow CDCR to maintain the use of its programming space and allowing for the continuation of rehabilitative programming while simultaneously reducing the number of available beds and achieving additional savings. The closures of prisons and facilities will result in a reduction of 17,400 beds and the housing unit deactivations included in the Budget will take an estimated 4,700 additional beds offline.
- ❖ **Community Correctional Reentry Centers** – The Budget includes the consolidation of \$102.8 million in remaining funding available to support reentry expansion with base reentry center funding in 2024-25 for the projected costs associated with expanding the reentry center beds and to support increased contract rates for existing reentry center facilities. CDCR recently executed contracts with four providers to add an additional 439 beds. Furthermore, new facilities are anticipated to come online from October 2024 through January 2026.
- ❖ **Post-Release Community Reentry Programs** – The Budget includes \$2.3 million General Fund in 2024-25, increasing to \$3.4 million in 2028-29 to increase contract rates for post-release reentry programs.
- ❖ **Free Voice Calling for Incarcerated Individuals** – The Budget includes \$32.3 million ongoing General Fund to provide incarcerated individuals with access to free voice calling services consistent with Chapter 827, Statutes of 2022 (Senate Bill 1008).
- ❖ **Hope and Redemption Team Continuation** – The Hope and Redemption program provides opportunities for formerly incarcerated individuals to serve as life coaches and mentors for the incarcerated population. The Budget includes a shift of \$8 million one-time General

Fund from the San Quentin Improvement Project to support the continuation of the program with \$4 million in 2024-25 and another \$4 million in 2025-26.

- ❖ **Division of Adult Parole Operations Sex Offender Management Program Contract** – The Sex Offender Management Program provides specialized rehabilitated programming that incorporates supervision, treatment, polygraph testing, and victim advocacy to facilitate successful reintegration of paroled sex offenders. The Budget includes a \$26 million General Fund annual increase in 2024-25 through 2027-28 to address the increased costs of renegotiated sex offender management treatment contracts that have been in place since October 2023.
- ❖ **Staff Misconduct Investigations** – The Budget includes an increase of \$7.5 million General Fund in 2024-25 and \$14.4 million General Fund ongoing to support CDCR's continued implementation of the staff misconduct process.
- ❖ **Contract Medical Methodology Change** – The Budget includes a \$38.5 million General Fund and a \$12.1 million reduction in reimbursement authority to support the use of an acuity-based model to fund Contract Medical Services, which support the provision of specialty care services for patients in prisons and community settings.
- ❖ **Medical Program Shortfall** – The Budget includes a \$20 million one-time General Fund in 2024-25 to address a deficit in the Medical Program budget driven by the increases in various personnel-related and operational costs. Similarly, this funding will provide time to evaluate an ongoing solution to address the increasing program costs.
- ❖ **Pharmaceutical Rebates** – The Budget includes a \$30.8 million General Fund annual reduction for the next three years that starts in 2024-25 to reflect the impact of pharmaceutical rebates that CDCR is anticipated to receive through a contract with a fiscal intermediary.
- ❖ **CalAIM Justice Involved Initiative Medi-Cal Reimbursement System** – The Budget includes an increase of \$16.5 million in reimbursement authority on a one-time basis to enable CDCR to continue its preparations for the implementation of the CalAIM initiative.
- ❖ **Addressing the Budget Problem** – To address the projected budget shortfall, the Budget includes the following General Fund solutions to achieve a balanced budget:
 - **State Operations Reductions** – The Budget includes a \$392 million General Fund ongoing reduction for savings associated with the elimination of vacant positions and the 7.95 percent reduction to state operations that will be applied to all state departments.
 - **Baseline Administrative Reduction** – The Budget includes a reduction of \$15 million General Fund starting in 2024-25 to reduce various administrative positions and contract funding.
 - **Housing Unit Deactivations** – The Budget includes a \$81.9 million ongoing General Fund reduction for deactivating various housing units across 11 prisons.

- **Peace Officer Training Reduction** – The Budget includes a \$8.5 million General Fund reduction in 2023-24, \$13.8 million in 2024-25, and \$22.6 million ongoing to reflect a reduction in the annual training for correctional officers from 48 to 40 hours. In addition, there will be a discontinuation of the California Reality Based Training Center.
- **Los Angeles County Fire Camp Contract** – The Budget includes a \$4.8 million General Fund reduction starting in 2025-26 associated with the elimination of the fire camp contract with Los Angeles County due to lower incarcerated populations and existing capacity in CDCR's fire camps.
- **Reduction of the TransMetro Bus Contract** – The Budget includes a \$700,000 General Fund reversion from 2023-24 and a \$2 million General Fund reduction in 2024-25 and ongoing for visitor transportation to the prisons due to the underutilization of the service.
- **COVID-19 Related Activities** – The Budget includes a \$84.8 million reduction related to various COVID-19 activities (e.g., mitigation efforts and worker's compensation).
- **Recidivism Reduction Fund** – The Budget includes a revenue transfer of \$7.3 million in unobligated funds from the Recidivism Reduction Fund to the General Fund.
- **Parolee Data Collection, Analysis, and Outcomes Project** – The Budget includes a \$6 million reversion from 2022-23 for a parolee data collection, analysis, and outcomes project.
- **Parolee County of Release Workload and Testing Contracts** – The Budget includes a \$2 million ongoing reduction beginning in 2023-24 related to parolee county of release workload and right-sizing parolee urinalysis testing contracts.

Juvenile Justice Realignment

The Division of Juvenile Justice (DJJ) closed on June 30, 2023, pursuant to Chapter 18, Statutes of 2021 (Senate Bill 92). Youth previously committed to DJJ have been transferred to the county probation department within their respective county of commitment. Similarly, the state has transitioned the responsibility for care and supervision of justice-involved youth. The Budget includes a \$20.8 million one-time General Fund in 2024-25 for the Juvenile Justice Realignment Block Grant (JJRBG) established by Chapter 337, Statutes of 2020 (Senate Bill 823) to support counties in providing rehabilitative housing and supervision services to the youth population realigned pursuant to Senate Bill 823. In addition, the Budget includes an estimated \$1.2 million General fund increase to meet the requirement to adjust the JJRBG funding annually by a rate commensurate with the growth in the Juvenile Justice Growth Special Account, which was established by the 2011 Public Safety Realignment. This brings the total amount of the JJRBG to an estimated \$210 million in 2024-25. Furthermore, the Budget includes a \$13.2 million (\$140,000 General Fund and \$13 million in federal funding) shift, 4 positions from the Board of State and Community Corrections to the Office of Youth and Community Restoration, and related statutory changes to reflect the transfer of the administrative and compliance monitoring activities of the Title II Grant under the federal Juvenile Justice and Delinquency Prevention Act.

Local Public Safety

The state has made substantial investments in strategies focused on positive policing, including resources to support peace officer wellness and training, and addressing peace officer misconduct. Since 2022-23, \$370 million has been provided to address organized retail theft and other crimes, \$234.4 million to address gun violence, \$88 million for reducing illicit drugs, and \$258.3 million for victim services. Specific details of the Budget for the following programs can be found in the [Corrections, Public Safety, and General Government Section](#).

- ❖ **California Violence Intervention and Prevention (CalVIP) Grant Program** – The Budget includes a \$200 million General Fund over three years for the expansion of violence prevention efforts with communities that focus on those at the highest risk of violence.
- ❖ **Local Law Enforcement Mutual Aid** – The Budget includes a \$75 million one-time General Fund (\$25 million per year for three years, starting in 2022-23) to provide local law enforcement support during disasters and emergencies. Similarly, this funding was augmented by an additional \$10 million investment in 2023-24 to reimburse local law enforcement agencies' overtime costs for providing an in-person security presence at religious institutions and places of worship
- ❖ **California Internet Crimes Against Children Task Force** – The Budget includes a \$15 million one-time General Fund (\$5 million per year for three years starting in 2022-23) to support the current level of funding for this program, which helps state and local law enforcement agencies develop effective responses to child exploitation facilitated by technology and combating underground child pornography rings.
- ❖ **Officer Wellness and Training** – The Budget includes a \$65 million one-time General Fund for research and grants that support on peace officer's physical, mental, and emotional wellness. Similarly, a Use of Force and De-escalation Training pilot was added to strengthen positive policing strategies.
- ❖ **Domestic and Sexual Violence, Human Trafficking, and Children's Services** – The Budget includes \$17.3 million one-time General Fund across 2021-22 and 2023-24 to expand domestic violence and sexual violence prevention efforts; \$6.7 million ongoing General Fund starting in 2021-22 to increase reimbursements to local law enforcement agencies to offset the cost of reimbursing healthcare professionals and medical facilities for medical evidentiary examination for all sexual assault victims; \$61 million one-time General Fund over five years to expand human trafficking survivor support programs starting in 2021-22, and \$21 million one-time General Fund across 2021-22 and 2023-24 to support the Family Justice Center Program, which provides services for victims and their children.
- ❖ **Trauma Recovery Centers** – The Budget includes a \$23 million one-time General Fund in 2022-23 to be spent over three years to support existing trauma recovery centers and to establish an innovative pilot program to operate satellite offices in hard-to-reach and/or rural areas associated with a local organization and are overseen by an existing trauma recovery center.
- ❖ **Victims of Crime Act** – The Budget includes an \$103 million one-time General Fund increase in 2024-25 to supplement federal funding that supports a variety of services for domestic violence victims. In addition, this one-time funding will allow existing programs to continue their current level of services.

- ❖ **Proposition 47 Savings** – In 2014 Prop 47 passed, which requires a misdemeanor rather than a felony sentencing for certain property and drug crimes. Similarly, this Proposition permits incarcerated individuals with previous sentences for these reclassified crimes to petition for a resentencing. The Budget estimates a \$94.8 million General Fund in net savings in 2024-25.
- ❖ **Community Corrections Performance Incentive Program** – The Community Corrections Performance Incentive Program, Chapter 608, Statutes of 2009 (Senate Bill 678) was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. The Budget includes \$116.1 million General Fund in 2024-25 for county probation department, maintains the rates utilized in the prior three years, and continues to apply a 5.5 percent reduction to county allocations while also establishing a floor of \$200,000 for counties that fall below that level. In addition, the Budget includes intent language to review ongoing allocation methodology.
- ❖ **Addressing the Budget Problem** – To address the projected budget shortfall, the Budget includes the following General Fund solutions to achieve a balanced budget:
 - **Post Release Community Supervision** – The Budget eliminates \$4.4 million General Fund proposed in the Governor’s Budget to continue funding for counties that may be experiencing impacts from any additional incarcerated individuals release to post-release community supervision as a result of Proposition 57.
 - **CalVIP Grant Program** – The Budget includes a \$9 million General Fund reduction in 2024-25 that will be replaced by funding from the newly created Gun Violence Prevention and School Safety Fund starting in 2024-25, pursuant to Chapter 231, Statutes of 2023 (AB 28). This fund is expected to continuously appropriate up to \$75 million annually to the Board of State and Community Corrections (BSCC) to administer and award CalVIP grants.
 - **BSCC Cannabis Tax Fund Loan** – The Budget includes a budgetary loan of \$175 million in 2024-25 from the Cannabis Tax Fund to the General Fund from resources projected to be not utilized to programmatic purposes. This loan will be repaid from the General Fund to BSCC in 2025-26, 2026-27, and 2027-28.
 - **Reversion of Medication Assisted Treatment Grants** – The Budget includes a \$10.5 million reversion from 2022-23 for the Medication Assisted Treatment Grant Program.

Department of Justice

The Department of Justice provides litigation services on behalf of the people of California; serves as legal counsel to state agencies; provides oversight, enforcement, education, and regulation of California's firearms laws; provides evaluation and analysis of physical evidence; and supports the needs of California's criminal justice community. The Budget includes total funding of \$1.3 billion, including \$504 million General Fund to support the Department.

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 a combination of General Fund, 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 includes total funding of \$5 billion (\$3 billion General Fund and \$2 billion other funds) in 2024-25 for the Judicial Branch, of which \$2.9 billion is provided to support trial court operations.

❖ **Allocations related to trial court:**

- **Trial Court Trust Fund Backfill** – The Budget includes a \$37 million ongoing General Fund to continue to backfill the Trial Court Trust Fund for revenue declines expected in 2024-25.
- **Facility Operations and Maintenance** – The Budget includes a \$3.6 million ongoing General Fund for trial court facility operations and maintenance for a new Stanislaus County courthouse opening in 2024-25.
- **Reduction to Trial Court State Operations** – The Budget includes a \$97 million ongoing General Fund reduction consistent with the statewide ongoing reduction for state operations. These statewide reductions will also be applied to the state-level judiciary, which includes the Supreme Court, Courts of Appeal, Habeas Corpus Resource Center, and the Judicial Council.

❖ **Keeping Children Safe from Family Violence Act (SB 331)** – The Budget includes \$1.1 million ongoing General Fund, and \$150,000 Family Law Trust Fund in 2024-25 and \$210,000 Family Law Trust Fund in 2025-26, for the courts to expand educational programs and materials related to domestic violence and post-conviction probation supervision.

❖ **Implementation of the CARE Act** – The Budget includes a \$17.6 million General Fund reversion in savings from 2023-24 provided to the Judicial Branch for the implementation of the CARE Act.

Labor and Workforce Development

The 2022 Budget invested approximately \$2.2 billion General Fund to create additional apprenticeships; provide training to mitigate the effects of climate change; provide job training and other assistance to the justice-involved population; and create more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce. The Budget reduces \$1.16 billion (\$971.1 million General Fund) and delays \$190 million General Fund from 2023-24 and prior years to 2024-25 and future years (\$50 million in 2024-25, \$70 million in 2025-26, and \$70 million in 2026-27).

❖ **EDDNext** – \$326.8 million one-time in 2024-25 (\$163.4 million General Fund) to continue the planning and development of EDDNext, for the third year of a five-year plan to modernize the Employment Development Department (EDD).

❖ **Division of Workers' Compensation** – An increase of \$12.3 million Workers' Compensation Administration Revolving Fund at 71.0 positions phased in over three years for the Department of Industrial Relations to address increasing workload and reducing hearing wait times.

❖ **Rural Strategic Engagement Program** – An increase of approximately \$8.6 million Labor and Workforce Development Fund- annually for three years for the Department of Industrial Relations and the Agricultural Labor Relations Board to educate rural workers on workplace

rights under the direction of, and in coordination with, the Labor and Workforce Development Agency.

- ❖ **Healthcare Workforce Reduction** — A reduction of \$746.1 million General Fund over five years, and \$189.4 million Behavioral Health Services Fund in 2025-26 for various healthcare workforce initiatives at the Department of Health Care Access and Information (HCAI). The Budget maintains \$108.9 million General Fund in committed funds, and \$357.7 million General Fund in prior and current year workforce investments in HCAI. The Budget also includes \$60 million Proposition 98, per year over five years, in the community colleges for nursing.

General Government and Statewide Issues

The Budget includes General Fund solutions to achieve a balanced budget that may have an impact on the BH/JI Population.

- ❖ **Office of Community Partnerships and Strategic Communications** — A \$50 million reduction in 2024-25 and 2025-26. The Budget maintains \$15 million in 2024-25 and 2025-26 to advance the state's highest priority public awareness and community
- ❖ **Youth Empowerment Commission** — A \$1.5 million reduction in 2027-28 through 2029-30 for the Youth Empowerment Commission. The Budget maintains \$1.5 million in 2024-25, 2025-26, and 2026-27 to support the Commission's efforts to advise and recommend legislative and fiscal issues affecting youth.
- ❖ **Updated Allocation of the Cannabis Tax Fund** — The Budget estimates \$574.4 million will be available for Allocation 3 programs in 2024-25 as follows:
 - Education, prevention, and treatment of youth substance use disorders and school retention—\$344.6 million (60 percent)
 - Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—\$114.9 million (20 percent)
 - Public safety-related activities—\$114.9 million (20 percent)