

# Governor Gavin Newsom’s Budget Proposal 2022-2023

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## Introduction

On January 10, 2022, Governor Gavin Newsom released his 2022-2023 Proposed Budget for California. The budget proposes spending of \$286.4 billion in total state funds, reflecting a 9 percent increase from last year’s historic spending plan. Following Governor Newsom’s unveiling of the California Roaring Back plan in 2021 that laid out a recovery plan for the State in the pandemic, this year’s proposed budget aims to continue investing in social determinants of health including schools, food and healthcare access for undocumented immigrants, and public health infrastructure, to name a few. The budget is emboldened by the state’s strong economic recovery and unexpected tax revenue. This document summarizes and highlights elements of the budget proposal that reflect Prevention Institute’s focus on advancing equity and justice through health, safety, and wellbeing. We highlight aspects of the budget pertinent to our work by organizing funding efforts in PI’s three policy areas:

1. Promoting Safety, Wellbeing, and Healing from Trauma and Systemic Violence
2. Healthy, Equitable Community Environments
3. Fostering a More Prevention-Oriented Health System

## Promoting Safety, Wellbeing, and Healing from Trauma and Systemic Violence

### **California's COVID-19 Pandemic Response**

- **Combatting COVID-19 Budget Estimate**—To continue the state's efforts to combat COVID-19—including the Delta and Omicron variants—through the Spring, the Budget reflects an additional \$1.2 billion for COVID-19 related expenditures including resources for testing and laboratory functions, vaccinations, contact tracing, medical surge staffing and state operations support. The Budget reflects \$1.2 billion in projected costs in 2022-23 across COVID-19 expenditure categories. The Administration will continuously evaluate DPH and local government spending of various federal COVID-19 grants. To the extent that federal resources, including prior year unspent carryover funds, go unspent or are unlikely to be expended during the federal grant timeframe, DPH may reallocate these resources to meet the entire budget year need.
- **Pandemic Response and Federal Assistance**—To maintain and expand these mitigation efforts, the Administration is seeking early action by the Legislature to allocate \$1.4 billion to continue critical efforts to slow community transmission and save lives. These funds will increase vaccination rates, expand testing, and support hospital surge staffing.
- **Accelerated Vaccine Distribution**—An additional \$399 million in 2021-22 and \$182 million in 2022-23 is proposed for vaccine distribution and administration.
- **Expanding Community Testing Availability**—The Budget proposes an additional \$214 million in 2021-22 to maintain and expand testing operations. The Budget also proposes \$362 million for continued testing efforts in 2022-23.

### **Strengthening Economic Supports to Families**

- **Child Care Initiative Project**—\$25 million to fund the Child Care Initiative Project through June 30, 2023, to address areas underserved by child care providers, increase child care slots, and support providers who want to become licensed.
- **Child Care and Development**—\$5.8 billion for child care programs, including continued support for the multi-year commitment to rate increases taking effect in January 2022, supplemental funding to providers, infrastructure grant program funding, and eventually expanding child care access by 200,000 slots.
- **California Infant and Early Childhood Mental Health Consultation Program**—\$10.6 million in funding through June 30, 2023 for the California Infant and Early Childhood Mental Health Consultation program to support the mental health needs of children, families, and child care providers.
- **California Supporting Providers and Reaching Kids (CalSPARK)**—\$4.8 million General Fund to support infrastructure, planning, and initial design of a child care data system and information technology solution, referred to as California Supporting Providers and Reaching Kids (CalSPARK), as part of the Brilliant Beginnings data initiative to facilitate data-driven decisions, enhance family-provider experience, and streamline state administration of the programs.

- **California Food Assistance Program (CFAP) Expansion**—\$35.2 million General Fund for planning purposes, increasing to \$113.4 million General Fund annually in 2025-26, to expand the CFAP program to Californians age 55 and older regardless of immigration status.
- **Food Bank Resources**—\$50 million one-time General Fund for the CalFood program to mitigate increases in food needs among low-income and food-insecure populations throughout the state.
- **Former Foster Youth Tax Credit**—The Budget proposes a refundable \$1,000 tax credit for young adults aged 18 through 25 who were former foster youth at age 13 or older.
- **CalWORKS**—CalWORKS is California’s version of the federal Total Temporary Assistance for Needy Families (TANF). TANF expenditures are \$8.5 billion (state, local, and federal funds) in 2022-23. The amount budgeted includes \$6.6 billion for CalWORKS program expenditures and \$2 billion in other programs. CalWORKS provides temporary cash assistance to low-income families with children to meet basic needs. It also provides welfare-to-work services so that families may become self-sufficient. Eligibility requirements and benefit levels are established by the state. Counties have flexibility in program design, services, and funding to meet local needs. The Budget projects a 7.1-percent increase to CalWORKS Maximum Aid Payment levels. See the Early Childhood Chapter for more details.

#### **Incentivize and Support Equity-Oriented Economic Development**

- **Community Economic Resilience Fund**—Last year, \$600 million was allocated to the Community Economic Resilience Fund for regional strategies that support economic and workforce transitions caused by climate change and other factors. The Budget adds to this effort with \$450 million General Fund over three years starting in 2023-24 to stabilize local governments as local economies adjust, \$215 million General Fund over two years to support an oil and gas well capping initiative to improve the safety of communities while providing high-quality jobs, and \$50 million General Fund to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.
- **State Small Business Credit Initiative**—Ongoing Support for Small Businesses includes a total of \$150 million General Fund in 2022-23 to capture any small businesses that did not receive a grant. Of this total amount, \$20 million will be reallocated from the undersubscribed nonprofit cultural institution grants, and an additional investment of \$130 million will cover the remaining amount. In December 2020, CalOSBA launched the California Small Business COVID-19 Relief Grant Program to administer grants of up to \$25,000 to eligible small businesses and nonprofits.
- **Inclusive and Equitable Employment**—\$7.6 million for an expanded California Leads as an Employer initiative through the California Department of Human Resources to continuously recruit and support a state workforce that reflects all of California, which includes renewed efforts to employ Californians with disabilities.

#### **Ensuring Equity for Children and Youth in Educational Settings**

- **Universal Transitional Kindergarten**—\$639.2 million General Fund to expand eligibility for transitional Kindergarten, from all children turning five-years-old between September 2 and December 2 to all children turning five-years-old between September 2 and February 2, beginning in the 2022-23 school year. Additionally, the Budget proposes \$383 million Proposition 98 General Fund to add an educator to every transitional kindergarten class, reducing student-to-adult ratios to more closely align with the State Preschool Program. The Budget also invests \$309 million so that the State Preschool Program better supports students with disabilities and dual language learners.
- **Universal Access to Subsidized School Meals**—\$596 million Proposition 98 General Fund, on top of \$54 million provided in the 2021 Budget Act, to fund universal access to subsidized school meals. Beginning in the 2022-23 school year, all public schools will be required to provide two free meals per day to any student who requests a meal, regardless of income eligibility. Further, all schools eligible for the Community Eligibility Provision, the federal universal meals provision, will be required to apply for the program by June 30, 2022 (if they are not already participating) to reduce volatility in costs to the state and to maximize federal reimbursement for meals served.
- **Farm to School Program**—\$30 million one-time General Fund to establish additional farm to school demonstration projects and \$3 million ongoing General Fund to expand the regional California Farm to School Network by adding 16 new positions at the California Department of Food and Agriculture. The 2021 Budget Act included \$60 million one-time General Fund over two years to support the California Farm to School Program, which connects local producers and school food buyers; increases food education opportunities in classrooms, gardens, and on farms; and engages schools and students with the agricultural community.
- **Early Literacy Initiatives**—\$500 million one-time Proposition 98 General Fund, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and to offer one-on-one and small group intervention for struggling readers. In addition, the budget includes:
  - \$200 million one-time Proposition 98 General Fund to establish a grant program to enable local educational agencies to create or expand multi-lingual school or classroom libraries offering culturally relevant texts to support reading instruction.
  - \$10 million General Fund to expand early literacy efforts by developing a partnership between CDPH and First 5 California to administer a statewide program to provide multilingual books and early literacy programming for families with young children in collaboration with other state programs such as home visiting, child care, early childcare centers, and foster care.
  - \$2 million one-time General Fund to incorporate early identification for learning disabilities into the state's preschool assessment tools, including a process for follow-up by expert evaluators, and \$60 million one-time Proposition 98 General Fund to provide training for educators on effective use of these tools.

#### Healthy, Equitable Community Environments

#### **Fostering Access to Equitable Housing and Community Development**

- **Housing Budget Investments**—\$1 billion one-time General Fund over two years, primarily focused on accelerated development in downtown-oriented areas across California. This investment will foster targeted development in infill areas and create sustainable and affordable housing, as well as fund state tax credit and bond financing programs, as follows:
  - *Infill Infrastructure Grant Program*—\$500 million one-time General Fund (\$225 million in 2022-23, and \$275 million in 2023-24) for the Infill Infrastructure Grant program, which prioritizes prime infill parcels in downtown-oriented areas and brownfields.
  - *Affordable Housing and Sustainable Communities*—\$300 million one-time General Fund (\$75 million in 2022-23, and \$225 million in 2023-24) for the Affordable Housing and Sustainable Communities program to support land-use, housing, transportation, and land preservation projects for infill and compact development that reduce greenhouse gas emissions. This supplements the existing annual Cap and Trade auction proceeds available for this program.
  - *State Excess Sites Development*—\$100 million one-time General Fund (\$25 million in 2022-23, and \$75 million in 2023-24) to expand affordable housing development and adaptive reuse opportunities on state excess land sites. This will leverage state land as an asset to expedite housing opportunities by offering low-cost, long-term ground leases in exchange for affordable and mixed-income housing.
  - *Adaptive Reuse*—\$100 million one-time General Fund (\$50 million in 2022-23, and \$50 million in 2023-24) for adaptive reuse incentive grants. These grants will help remove cost impediments to adaptive reuse (e.g., structural improvements, plumbing/electrical design, exiting) and help accelerate residential conversions, with a priority on projects located in downtown-oriented areas. These per-unit grants will be paired with other HCD awards to remove impediments in delivering adaptive reuse projects.
- **Addressing the Homelessness Crisis**—The Budget reflects \$5.8 billion for 2022-23 included in the 2021 Budget Act. The 2021 Budget Act included a historic \$12 billion over two years to address homelessness—creating new units and treatment beds for individuals exiting homelessness and supporting local government efforts. The Budget proposes an additional \$2 billion over the next two years to expand access to housing for vulnerable populations with complex behavioral health conditions and people living in encampments and complements the funding included in the 2021 Budget.
- **Housing Supports to Individuals with Behavioral Health Needs**—\$1.5 billion General Fund over two years in dedicated resources to address immediate housing and treatment needs. Funding will be administered through DHCS' Behavioral Health Continuum Infrastructure Program and can be used to purchase and install tiny homes and to provide time-limited operational supports in these tiny homes or in other bridge housing settings including existing assisted living settings.
- **Encampments and Unsheltered Settings**—Building on the \$50 million of Encampment Resolution Grants to local jurisdictions that will be awarded in Spring 2022, the Budget includes an additional \$500 million one-time General Fund to deploy a substantially expanded program for jurisdictions to invest in short- and long-term rehousing strategies for people experiencing homelessness in encampments around the state.

- **Infrastructure Investments to Address California’s Most Pressing Priorities**—The Budget builds on last year’s infrastructure investments with an additional \$20 billion to accelerate the transition to zero-emission vehicles, modernize the state’s transportation system, spur clean energy innovation, advance the state’s housing goals, reduce wildfire risk to communities, and support drought resilience and response. California expects to receive approximately \$14 billion of additional funding from the federal Infrastructure Investment and Jobs Act over the next five years.
- **State Excess Sites Development**—\$100 million General Fund over two years to expand affordable housing development and adaptive reuse opportunities on state excess land sites.
- **Adaptive Reuse**—\$100 million General Fund over two years for adaptive reuse incentive grants. These grants will help remove cost impediments to adaptive reuse (e.g., structural improvements, plumbing/electrical design, exiting) and help accelerate residential conversions, with a priority on projects located in downtown-oriented areas.
- **Increasing Affordable Housing Options**—In addition to another allocation of \$500 million in Low-Income Housing Tax Credits, the Budget also includes an additional \$500 million one-time General Fund over two years to increase affordable housing options and help local governments meet their RHNA goals, as follows:
  - *Mixed-Income Housing*—\$200 million one-time General Fund (\$50 million in 2022-23, and \$150 million in 2023-24) for the California Housing Finance Agency to provide loans to developers for mixed-income rental housing, specifically for households with incomes between 30 percent and 120 percent of the Area Median Income.
  - *Portfolio Reinvestment Program*—\$200 million one-time General Fund (\$50 million in 2022-23, and \$150 million in 2023-24) for the Portfolio Reinvestment Program to further preserve targeted units in downtown-oriented areas and continue increasing the state’s affordable housing stock.

## Investing in Zero-Emission and Active Transportation

- **Zero-Emission Mobility**—\$419 million to support sustainable community-based transportation equity projects that increase access to zero-emission mobility in low-income communities. This includes supporting clean mobility options, sustainable transportation and equity projects, and plans that have already been developed by communities that address mobility. These locally driven projects continue to be a direct response to critical mobility needs identified by community-based organizations and residents working on the front lines to lift up priority populations.
- **Active Transportation**—\$750 million General Fund for projects to transform the state’s active transportation networks, improve equity, and support carbon-free transportation options, including funding for: Active Transportation Program projects, the Reconnecting Communities: Highways to Boulevards Pilot Program, and bicycle and pedestrian safety projects.

- **High-Speed Rail and Transit**—\$4.2 billion Proposition 1A bond funds for High-Speed Rail, \$3.25 billion General Fund for statewide, regional and local transit and rail projects, and \$500 million General Fund for high-priority rail safety improvements.
- **Zero Emission Vehicle Acceleration**—\$6.1 billion (\$3.5 billion General Fund, \$1.5 billion Proposition 98, \$676 million Greenhouse Gas Reduction Fund, and \$383 million Federal Funds) one-time over five years, with a focus on communities that are most impacted, bringing the total investment to \$10 billion over six years to decarbonize California’s most polluting sector and improve public health. The Budget proposes targeted investments in disadvantaged and low-income communities, including tribal communities, to increase access to the benefits of clean transportation.
- **Low-Income Zero-Emission Vehicles and Infrastructure**—\$256 million for low-income consumer purchases, and \$900 million to expand affordable and convenient ZEV infrastructure access in low-income neighborhoods. These investments will focus on planning and deploying a range of charging options to support communities, including grid-friendly high-power fast chargers and at-home charging.
- **Heavy-Duty Zero-Emission Vehicles and Supporting Infrastructure**—\$935 million to add 1,000 zero-emission short-haul (drayage) trucks and 1,700 zero-emission transit buses; \$1.5 billion Proposition 98 to support school transportation programs, including advancing electric school buses in a coordinated effort between educational, air pollution, and energy agencies; \$1.1 billion for zero-emission trucks, buses, and off-road equipment and fueling infrastructure; and \$400 million to enable port electrification.

#### **Increasing Park Acreage and Access to Open Spaces**

- **Advancing Outdoors for All** —The Budget includes \$756.9 million for the Department of Parks and Recreation and builds upon last year’s investments through the Outdoors for All Initiative. Program initiatives include:
  - *California Cultural and Art Installation in Parks Program*—\$50 million one-time General Fund for art installations to enhance interpretive efforts in state parks and local parks. The Department will work with the California Arts Council to build art installations that tell the story of California’s valuable cultural and historical heritage and resources
  - *State Parks Infrastructure Funding*—\$50 million one-time General Fund for future State Parks infrastructure projects to increase equitable access to state parks, improve visitor experiences and build recreational opportunities to foster community connections and remove barriers to park access.
  - *State Parks Tribal Lands Acknowledgement, Interpretation, and Exhibit Improvements*—\$9.8 million one-time General Fund to support California Native Americans engagement and interpretation in state parks. Tribal land acknowledgments will be addressed through signage and improved interpretation to connect the public with tribal history and contemporary experiences. These improvements will bring forward California Native American voices throughout state parks.

#### **Addressing Climate Change through Environmental Justice**

- **Air Resources Board**—The Budget includes \$946 million Greenhouse Gas Reduction Fund for the following activities that address climate change and promote equity:
  - **Community Air Protection Program (AB 617)**—\$240 million to support the Community Air Protection Program, which reduces emissions in communities with disproportionate exposure to air pollution through targeted air monitoring and community emissions reduction programs. This funding will provide grants to community-based organizations, implementation funding for local air districts, and incentives for cleaner vehicles and equipment.
  - **Expanding Monitoring in Disadvantaged Communities**—\$30 million to deploy local and real-time pollution monitoring, including climate, air, and toxic emissions, in disadvantaged communities across the state.
  - **Air Resources Board Office of Racial Equity**—\$1.8 million Air Pollution Control Fund ongoing and four positions to establish the new Office of Racial Equity (Office) at the Air Resources Board. The Office will help coordinate, integrate, and implement racial equity into policy development, with an initial focus on research, incentive programs, regulations, air quality planning, and climate change. Finally, the Office will help develop trainings for staff to engage communities and advance racial equity.
- **Advancing Racial Equity and Environmental Justice in OEHHA’s Scientific Activities**—\$565,000 ongoing General Fund and two positions to create a new racial equity and environmental justice program. The program would formulate strategies, policies, and technical assessments to advance racial equity in OEHHA’s scientific activities, including quantitative risk-assessment methods.
- **Strengthening CalEnviroScreen**—\$370,000 ongoing funding from multiple fund sources and two positions to support the tracking of changes in community pollution burden using information from the CalEnviroScreen mapping tool. CalEnviroScreen assigns cumulative scores to communities based on indicators such as environmental pollution exposure, health, and socioeconomic vulnerability. Analyzing changes over time can provide information on the effectiveness of the state’s programs in addressing environmental justice.
- **Community Air Monitoring**—\$30 million one-time Greenhouse Gas Reduction Fund to deploy local, real-time pollution monitoring, including climate, air and toxic emissions, in disadvantaged communities across the state.
- **Climate, Health and Disease Monitoring**—\$10 million ongoing General Fund to establish a monitoring program to track emerging or intensified climate-sensitive health impacts and diseases.
- **Bolstering Climate Resilience Investments**— Building on the state’s \$15 billion climate resilience investments in the 2021 Budget Act, the Budget includes an additional \$22.5 billion one-time from various fund sources over five years to advance the state’s Climate and Opportunity Budget and provide equitable climate solutions to prepare and protect communities.

## **Cannabis Tax Revenues and Regulatory Changes**

- **Department of Public Health**— \$5.7 billion (\$1.7 billion General Fund) in 2022-23 for the Department. During the COVID-19 Pandemic, federal support—including Federal Emergency Management Agency (FEMA) public assistance, Coronavirus Relief Funds, and various federal grants—has increased spending on public health response efforts by billions of dollars. In addition, the recently enacted American Rescue Plan Act of 2021 provides over \$1 billion to state and local public health efforts.

## **Strengthening Public Health Infrastructure**

- **Strengthening Public Health Infrastructure**—\$100 million General Fund annually for DPH to strengthen statewide public health infrastructure and complement local funding so that state and local governments can collaboratively work together to improve the health of all Californians. Key investment areas include:
  - Establishing an Office of Policy and Planning to conduct strategic planning and execution to address current and emerging threats to public health.
  - Increasing resources for emergency preparedness by building on the all-hazards approach to improve capability.
  - Increasing resources to support the expansion of the health care workforce to create sufficient capacity and upskill the current workforce to meet the new demands on the system.
  - Enhancing communication and public education to effectively disseminate communications across a variety of channels, as well as to combat disinformation.
  - Directing efforts towards community health improvement/population health management to improve physical and mental health by addressing health behaviors and a broad range of health factors, reducing health disparities, and focusing on community-wide prevention and resiliency.
  - Supporting an overarching goal of creating an organizational culture that is centered on health equity, accountability and continuous quality improvement, with a focus on establishing clear and quantifiable performance targets for these public health initiatives.
- **Information Technology (IT) and Data Systems**—In addition to a \$300 million spending plan for Local Health Jurisdictions (LHJ) and DPH authorized in the 2021-2022 Budget, this year's Budget includes \$235.2 million to maintain and operate technology and data platforms and applications in 2022-23, both for the ongoing COVID-19 response and other potential disease outbreaks. These IT systems are essential for DPH and LHJs to effectively track and gather data on COVID-19 and other infectious diseases, perform contact tracing to minimize disease spread, efficiently administer life-saving vaccines, rapidly perform COVID-19 tests, and deploy personnel in all areas of the pandemic response.
- **Local Assistance Funding**—\$200 million General Fund annually for Local Health Jurisdictions (LHJs) to enhance their public health infrastructure. The intent is to drive collaboration across counties and leverage resources collectively to gain economies of scale. LHJs will receive a minimum base allocation of \$350,000, which is based on an LHJs' population-based share (50 percent), Race Ethnicity index (25 percent) and the Poverty Index (25 percent). DPH has

collaborated with local partners to develop key metrics, minimum requirements for use of the funds, and reporting requirements. While LHJs may have more individualized investment areas of focus to meet their local community needs, additional resources should broadly include the following elements:

- *Workforce Expansion*—To strengthen local public health department staffing and to fortify priority areas identified during the pandemic.
  - *Data Collection and Integration*—To standardize the collection and integration of data to develop actionable information that can guide local decision-making.
  - *Public Health Workforce Expansion*—To strengthen local public health department staffing and to fortify priority areas identified during the pandemic.
  - *Public Health Data Collection and Integration*—To standardize the collection and integration of data to develop actionable information that can guide local decision-making.
  - *Community Partnerships*—To expand local partnerships with health care delivery systems and community-based organizations, including faith-based organizations, in order to marshal all resources to drive system change.
- **Directing Non-Profit Hospital Community Benefit Funding to Community-Based Organizations**— Governor Newsom proposes statutory changes that would direct 25-percent of a non-profit hospital's community benefit dollars to be invested in community-based organizations focused on public health efforts. The statutory change would also give the Department of Health Care Access and Information enforcement authority over non-profit hospitals' community benefit requirements. State and federal community benefit laws require non-profit hospitals, which are exempt from most federal, state, and local taxes, to provide community benefits.
- **Public Health IT Systems**—130 positions and \$235.2 million General Fund in 2022-23, 140 positions and \$156.1 million General Fund in 2023-24, and 140 positions and \$61.8 million General Fund in 2024-25 and ongoing to DPH to maintain and operate IT platforms and applications stood up during the COVID
- **Community Health Workers**—\$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025 in areas such as climate health, homelessness, and dementia to meet the goal of a more ethnically and culturally inclusive workforce by 2025.

### **Systematizing Health Equity and Affordability**

- **Extension of Adverse Childhood Experiences (ACES) Provider Training**—The Budget includes one-time \$135.1 million (\$67.6 million Mental Health Services Fund, remainder is federal funds), over a three-year period to extend Medi-Cal provider training for ACEs screenings.
- **Health4All: Medi-Cal expansion to all Income-Eligible Californians**- This budget expands and includes \$819.3 million (\$613.5 million General Fund) in 2023-24 and \$2.7 billion (\$2.2 billion General Fund) annually at full implementation, inclusive of In-Home Supportive Services (IHSS) costs, to expand full-scope eligibility to all income-eligible adults aged 26 through 49 regardless of immigration status. Beginning no sooner than January 1, 2024, Medi-Cal will be available to

all income-eligible Californians, regardless of immigration status. This landmark budget proposals builds on a decade of incremental expansion to Medi-Cal coverage, due in large part to the advocacy and powerbuilding tactics of grassroots immigrant organizations.

- **Reproductive Health**- To protect the right to safe and accessible reproductive health care services, the Administration will undertake a number of actions to maintain and improve availability of these essential services.
- **Increasing Flexibilities**—The Medi-Cal program provides comprehensive family planning and reproductive health services. To increase flexibility for Medi-Cal providers to provide clinically appropriate medication abortion services, the Department of Health Care Services (DHCS) will modify its existing billing requirements to remove requirements for in-person follow up visits and ultrasounds, if not clinically indicated.
- **Clinical Infrastructure**—To support California’s clinical infrastructure of reproductive health care services, the Budget includes one-time funding of \$20 million General Fund within the Department of Health Care Access and Information to provide scholarships and loan repayments to a variety of health care provider types that commit to providing reproductive health care services.
- **Capital Infrastructure**—The Budget includes one-time funding of \$20 million in grant funding to the Department of Health Care Access and Information to assist reproductive health care facilities in securing their physical and information technology infrastructure and to enhance facility security.
- **Covered California Subsidies**—The Budget includes \$20 million General Fund in 2022-23 for Covered California to support the One-Dollar Premium Subsidy program which subsidizes the cost of Covered California consumers for health plans due to federal policy concerning abortion coverage.
- **Medi-Cal Community Based Mobile Crisis Services**— Over a five-year period (authorized by the American Rescue Plan Act), \$1.4 billion (\$335 million General Fund) will be made available to DHCS to add multi-disciplinary mobile response services for crises related to mental health and substance use disorders as soon as January 1, 2023. This will be a new Medi-Cal benefit, building on \$205 million and other funds the 2021 Budget Act provided to counties for infrastructure development in preparation for the implementation of the mobile crisis benefit.
- **California Advancing and Innovating Medi-Cal (CALAIM)**— CalAIM initiatives being implemented in 2022-23 include mandatory enrollment into managed care of beneficiaries eligible for both Medi-Cal and Medicare; the requirement that all managed care plans cover long-term care; the provision of a targeted set of Medicaid services to eligible justice-involved populations prior to release; and the Providing Access and Transforming Health (PATH) initiative to further the successful implementation of CalAIM. The Budget includes:
  - \$1.2 billion in 2021-22
  - \$2.8 billion in 2022-23
  - \$2.4 billion in 2023-24

- and \$1.6 billion in 2024-25 for CalAIM.
- **Medi-Cal Provider Equity Payments**— To promote patient-centered models of care, the Budget includes one-time \$400 million (\$200 million General Fund) for provider payments focused on advancing equity and improving quality in children’s preventive, maternity, and integrated behavioral health care. During the COVID-19 Public Health Emergency, there has been a significant decline in utilization of preventive care and routine care for chronic conditions. In addition, the disparate impacts of COVID-19 on communities of color and other disadvantaged Californians underscore the existing disparities in our health care system.
- **Sunset of Child Health and Disability Prevention Program**—The Administration proposes to sunset the Child Health and Disability Prevention Program (CHDP) effective July 1, 2023 to advance CalAIM’s goal of streamlining the Medi-Cal program. As part of this proposal, DHCS will implement the Children’s Presumptive Eligibility Program to replace the CHDP Gateway to allow applicable Medi-Cal providers to enroll children into Medi-Cal through the presumptive eligibility process.