



**GOVERNOR'S PROPOSED BUDGET FOR 2022-23  
JANUARY 10, 2022**

**TO:** CSAC Board of Directors  
County Administrative Officers

**FROM:** Graham Knaus, CSAC Executive Director  
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**RE: Governor's January Budget Proposal for 2022-23**

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Governor Newsom spent the morning—and part of the afternoon—providing an overview of his initial 2022-23 budget proposals, emphasizing both the strength of California's economy and what he called the five existential threats facing the state. California's economic strength is resulting in higher state tax revenues, which the Governor proposes to spend largely to address those threats.

The major investments areas are:

- COVID-19, including increased vaccines, testing, and medical personnel.
- Homelessness, including mental health housing and encampments.
- Climate Change, including forest management and drought response.
- Affordability, including healthcare coverage, child care, housing, and small business relief.
- Safer Streets, including local law enforcement grants and gun buybacks.

Many of these priority areas align with the [2022 Legislative Priorities](#) adopted by CSAC's Board of Directors. We look forward to working on behalf of counties to refine those proposed investments with the Governor, his administration, and the Legislature to improve the lives of Californians in communities throughout the state.

Of particular interest to counties, the Governor is proposing the following new investments:

- \$1.3 billion for additional emergency COVID-19 response.
- \$2 billion for homeless behavioral health bridge housing and encampment cleanup.
- \$200 million ongoing for local public health infrastructure.
- \$1.2 billion over two years for wildfire and forest resilience.
- \$247 million for wildfire engines, helicopters and additional fire crews for surge capacity.
- \$750 million for drought.

- \$2 billion for affordable housing.
- \$571 million ongoing for a variety of felony IST solutions.

More details on these proposals and many others are available in the policy area summaries below.

The \$1.3 billion listed above for COVID-19 response is part of the Governor’s call for \$2.7 billion to enhance the state’s COVID-19 emergency response. As proposed, the package would fund increased testing capacity (\$1.2 billion), surge workforce (\$614 million), community outreach to underserved populations (\$583 million), contact tracing (\$110 million), and related state operations (\$200 million). Counties have identified testing capacity and workforce as top priorities to battle the Omicron variant, and the Governor’s package will assist counties, health care facilities, and other community partners who are on the front lines of the COVID-19 fight. Half of the funding is appropriated in the current year, meaning it could be deployed for testing and workforce immediately if acted upon by the Legislature.

The Governor estimated total revenues of \$286.4 billion for 2022-23, an increase of 9.1 percent over the current fiscal year, including \$213.1 billion General Fund. The Governor was quick to point out that the Administration’s economic forecast was finalized before the Omicron variant was known. Another risk to the forecast is the volatile nature of revenue from capital gains, which are a primary source of state funding and are approaching levels previously seen only in 2000 and 2007, right before devastating crashes. They estimate that in the short-term surging revenues will result in a surplus of \$45.7 billion and propose the following allocations:

- \$20.6 billion in discretionary funds.
- \$16.1 billion required to go to schools and community colleges.
- \$3.9 billion to pay down retirement liabilities.
- \$5.1 billion to increase budgetary reserves.

The state’s overall reserves would reach \$34.6 billion—including \$20.9 billion in the rainy day fund, which would be funded up to its constitutional limit.

Those interested in more details from the Governor’s Office can view the [press release](#), [fact sheet](#) (pdf), and [official budget summary](#), as well as [CSAC’s official response](#) (pdf).

***If you would like to receive the Budget Action Bulletin electronically, please e-mail Amanda Yang, CSAC Legislative Assistant at [ayang@counties.org](mailto:ayang@counties.org).***

**2022-23 Governor's Budget  
Summary by Agency  
(\$ in Millions)**

State Agencies	General Fund	Special Funds	Bond Funds	Total State Funds
Legislative, Judicial, Executive	\$9,061	\$3,631	\$146	\$12,838
Business, Consumer Services & Housing	\$1,078	\$1,210	\$937	\$3,225
Transportation	\$1,700	\$16,093	\$4,095	\$21,888
Natural Resources	\$8,744	\$1,757	\$611	\$11,142
Environmental Protection	\$1,226	\$4,296	\$15	\$5,537
Health and Human Services	\$64,701	\$28,805	---	\$93,506
Corrections and Rehabilitation	\$14,996	\$3,612	---	\$18,608
K-12 Education	\$70,350	\$325	\$1,488	\$72,163
Higher Education	\$21,846	\$232	\$736	\$22,814
Labor and Workforce Development	\$2,179	\$965	---	\$3,144
Government Operations	\$5,270	\$339	\$8	\$5,617
<b>General Government</b>				
<i>Non-Agency Departments</i>	\$1,796	\$1,786	\$2	\$3,584
<i>Tax Relief/Local Government</i>	\$640	\$3,464	---	\$4,104
<i>Statewide Expenditures</i>	\$9,510	-\$1,212	---	\$8,298
<b>TOTAL</b>	<b>\$213,127</b>	<b>\$65,303</b>	<b>\$8,037</b>	<b>\$286,467</b>

**2022-23 Revenue Sources**  
(\$ in Millions)

Revenue Source	General Fund	Special Funds	Total	Change from 2021-22
Personal Income Tax	\$130,269	\$3,790	\$134,059	\$9,521
Sales and Use Tax	\$32,208	\$14,570	\$46,778	\$1,897
Corporation Tax	\$23,732	---	\$23,732	-\$9,131
Highway users tax	---	\$9,589	\$9,589	\$766
Insurance Tax	\$3,541	---	\$3,541	\$93
Alcoholic Beverage Taxes and Fees	\$421	---	\$421	-\$2
Cigarette Tax	\$51	\$1,677	\$1,728	-\$227
Motor Vehicle Fees	\$37	\$7,305	\$7,342	\$346
Other	\$7,024	\$27,256	\$34,280	-\$9,332
<b>Subtotal</b>	<b>\$197,283</b>	<b>\$64,187</b>	<b>\$261,470</b>	<b>-\$6,069</b>
Transfer to the Budget Stabilization/ Rainy Day Fund	-\$1,565	\$1,565	---	---
<b>TOTAL</b>	<b>\$195,718</b>	<b>\$65,752</b>	<b>\$261,470</b>	<b>-\$6,069</b>

### Health and Human Services

Health and Human Services expenditures in the state continue to lead all state spending categories and are second only to education spending. The Governor’s January budget proposal includes \$217.5 billion (\$64.7 billion General Fund and \$152.7 billion other funds) for all health and human services programs in 2022-23.

At the time of today’s release, the overall state economy continues to do well, and sales tax and vehicle license fee revenue is estimated to increase by 3.9 percent from 2021-22 to 2022-23. Please see the Realignment section below for more details.

The Governor proposes significant additional investments, including \$200 million General Fund ongoing for local public health infrastructure, \$1.5 billion in bridge funding for housing people living with a severe mental illness, and more than \$2 billion annually to expand Medi-Cal to the last slice of undocumented individuals aged 19-49. See below for details on these investments and more.



## HEALTH AND HUMAN SERVICES WORKFORCE EXPANSION AND RETENTION

The Governor's January budget proposal includes \$1.7 billion over three years to focus on combating existing workforce challenges across the state. A number of the workforce provisions direct funding to build out the health and human services workforce. The care economy workforce investment proposals include:

- **Community Health Workers** - \$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025 for climate health, homelessness, and dementia workers.
- **Training Partnerships**—\$340 million General Fund for training and career advancement programs for people with barriers to employment. Partnerships will include community-based organizations, local workforce boards, labor unions, and educational institutions.
- **Comprehensive Nursing Initiative**—\$270 million General Fund to increase the number of health care workers including: registered nurses, licensed vocational nurses, certified nursing assistants, certified nurse midwives, certified medical assistants, and family nurse practitioner.
- **Expanding Social Workers**—\$210 million General Fund to support social work training programs through stipends and scholarships.
- **English Language Learners Health Careers**—\$130 million one-time General Fund for the Adult Education program to support healthcare-focused pathways for English language learners.
- **Psychiatric Resident Program**—\$120 million General Fund for psychiatric residents, psychiatric mental health nurse practitioners, psychology interns/fellows, and psychiatric nurse training positions.
- **Healthcare Workforce Advancement Fund**—\$90 million General Fund to support job entry and career advancement for entry-level and other workers in health and human service settings, with \$40 million intended for social worker training.
- **Multilingual Health Initiatives**—\$60 million General Fund to expand scholarships and loan repayment programs in healthcare and social work for multilingual individuals.
- **Emergency Medical Services Corps**—\$60 million General Fund to expand Emergency Medical Technicians, in partnership with local public health systems and their contracted emergency medical providers.
- **Opioid Treatment**—\$26 million to train providers to increase the number of licensed clinicians, including providers focused on addiction and provide opportunities for employment services for individuals with substance use disorder.
- **Indian Health Program Grant Restoration**—\$12 million one-time General Fund for Tribal Health Programs to retain health care workers that provide care for Native American programs and services.

- **Workforce Council for Healthcare Training**—\$3 million General Fund to research on healthcare shortages, support research on best practices, and to build a diverse health care workforce.

## REALIGNMENT

The Governor’s January budget proposal includes revenue assumptions for 1991 Realignment and 2011 Realignment. While Realignment revenues failed to reach base in 2019-20 due to the impacts of COVID-19, revenues rebounded strongly in 2020-21. The projections for 2021-22 and 2022-23 indicate that Realignment revenues will continue to grow for both 1991 Realignment and 2011 Realignment. The Governor’s January budget estimates revenues will grow by 6.4 percent in 2021-22 over 2020-21 levels and 3.9 percent in 2022-23 over 2021-22 levels. The Realignment revenue tables, including specific projections by subaccount, are included in the appendix at the end of this Budget Action Bulletin.

## HEALTH

### Pandemic Response

The Newsom Administration previewed a \$2.7 billion COVID-19 Emergency Response Package on Saturday as the Omicron Variant continues to spread throughout California. The Governor plans to spend \$1.4 billion in the current year, and \$1.3 billion in the budget year. The Governor will also begin a discussion on additional COVID-19 supplemental sick leave with the Legislature, but there are no funding estimates at this time.

The COVID-19 Emergency Response Package includes:

- \$1.2 billion to expand testing capacity, personnel, and supplies, including distributing “millions” of COVID-19 home antigen tests.
- \$583 million to increase vaccinations and boosters via community outreach and to combat misinformation.
- \$614 million for personnel resources to augment pandemic efforts, including those spearheaded by local public health jurisdictions.
- \$200 million for state-level duties, including emergency response.
- \$110 million to support vulnerable populations and to expand contact tracing activities in high-risk populations.
- \$74 million for the state to support continued COVID-19 Pandemic response and humanitarian efforts for newly arrived migrants and local border communities. For reference, \$360 million General Fund was already provided from the Disaster Response Emergency Operations Account in the current year to administer emergency response activities at the border.

Additional details of the COVID-19 Emergency Response Package can be viewed [here](#).

## **PUBLIC HEALTH**

### **Local Public Health Infrastructure Funding**

The Governor’s January budget proposal includes \$300 million in ongoing funding for public health infrastructure, \$200 million of which will go directly to local public health jurisdictions!

Each local health jurisdiction will receive a base allocation of \$350,000, and the rest of the funding will be allocated via the following formula: each local health jurisdiction’s population (50 percent), Race/Ethnicity index (25 percent), and the Poverty Index (25 percent).

While this funding is intended to be flexible, the state has identified three categories of focus: Workforce Expansion, Data Collection and Integration, and Community Partnerships. Local health jurisdictions will also need to adhere to key metrics, minimum requirements for use of the funds, and reporting requirements.

CSAC applauds the Governor for including this critical ongoing funding to rebuild and stabilize local public health jurisdictions in the wake of the pandemic. The Association will also continue to work with the California Can’t Wait Coalition to advocate for flexibility and additional funding to meet the challenges before local public health departments today.

View the final memo from the Future of Public Health Workgroup, on which CSAC served, [here](#).

### **CalAIM**

California’s ambitious federal waiver package, titled “California Advancing and Innovating Medi-Cal” (CalAIM) was approved by the Centers for Medicare and Medicaid Services (CMS) on December 29.

The January budget proposal includes \$1.2 billion (\$435.5 million General Fund) in 2021-22, \$2.8 billion (\$982.6 million General Fund) in 2022-23, \$2.4 billion (\$876.4 million General Fund) in 2023-24, and \$1.6 billion (\$500 million General Fund) in 2024-24 for 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; and possibly the provision of a targeted set of Medicaid services to eligible justice-involved populations prior to release. See also the Providing Access and Transforming Health Funding section below.

### *Providing Access and Transforming Health Funding*

The CalAIM initiative includes proposals to access new federal Providing Access and Transforming Health (PATH) funding.

The first area of focus for PATH funding centers on increasing capacity for pre-release and post-release services for justice-involved individuals, regardless of age. The goal is to build on some of the work of county Whole Person Care pilots that sought to reduce recidivism rates through jail in-reach efforts and case management both inside and outside of jail.

The state would also use PATH funding to support overall implementation of the new CalAIM Enhanced Care Management and Community Supports services, as well as the Whole Person Care transition, technical assistance; collaborative planning; and capacity and infrastructure funding for providers, community-based organizations, and counties.

### *Behavioral Health Quality Improvement Program*

Note also that the Newsom Administration and Legislature approved significant General Fund spending in the current year budget for CalAIM, including \$21.8 million for the Behavioral Health Quality Improvement Program incentive funds. Each county is eligible for an initial \$250,000 in startup funds in the current year, and the remainder will be allocated based on claims data from 2019-20, with a \$100,000 per-year floor for each county that applies.

### **Directing Non-Profit Hospital Community Benefit Funding to Community-Based Organizations**

The Governor's January Budget proposes to make two changes to community benefit laws in the state. The first would include a requirement of non-profit hospitals to report how they are investing in CBOs, specifically investments that address social determinants of health. Additionally, the budget proposes statutory changes that will require non-profit hospitals to allocate 25 percent of a non-profit hospital's community benefit towards efforts to address social determinants of health.

## **MEDI-CAL**

### *Expand Eligibility to Undocumented Immigrants Aged 26-49*

The Governor proposes expanding full-scope Medi-Cal coverage regardless of immigration status for those aged 26 to 49, who had represented the last uncovered age group of undocumented immigrants in California. The estimated cost is \$819.3 million (\$613.5 million General Fund) for half of 2023-24 and \$2.7 billion (\$2.2 billion General Fund) annually at full implementation, inclusive of In-Home Supportive Services (IHSS) costs. Coverage will begin no sooner than January 1, 2024.

### *Provider Rates Restored*



During the Great Recession in 2011, the state cut the Medi-Cal rates paid to providers by 10 percent in AB 97 (Chapter 3, Statutes of 2011). The Governor's January budget proposal would restore rates for the last set of providers due to COVID-19 impacts and to further the state's equity goals.

The restorations apply to nurses of all types, alternative birthing centers, audiologists and hearing aid dispensers, respiratory care providers, select durable medical equipment providers, chronic dialysis clinics, non-emergency medical transportation providers, and emergency medical air transportation providers.

The Governor estimates that the rate restorations will include fee-for-service costs of \$20.2 million (\$9 million General Fund) in 2022-23 and \$24 million (\$10.7 million General Fund) annually thereafter.

#### *Cost Assistance*

**Reduced Premiums.** The January budget proposal includes \$53.2 million (General Fund and federal funds) to reduce health insurance premiums for children, pregnant women, and working disabled adults in Medi-Cal.

**One-Dollar Premiums.** The Governor also extends the Covered California subsidy to support one-dollar premiums in 2022-23 for a cost of \$20 million General Fund.

**Asset Limit Elimination.** The Governor proposes to spend \$200.7 million (\$93.4 million General Fund) to phase in the elimination of the Medi-Cal asset limit for older and disabled Californians. This cost estimate includes IHSS costs, too.

The elimination of the Medi-Cal asset limit would be implemented no sooner than January 1, 2024 with a full fiscal year cost of \$434.7 million (\$201.3 million General Fund) ongoing.

**Additional Affordability Efforts.** The Governor also commits to working with Covered California and the Legislature to determine the best use for \$333.4 million from the General Fund that would have been used for state subsidies but was not needed due to supplemental federal funding. The Governor highlights improving affordability and access to health care coverage as a goal for the funding. The state will also need to consider potential additional federal funding for these purposes as well.

#### *Increasing Preventative Care*

The January budget proposal includes \$400 million (General Fund and federal funds) for provider payments focused on closing equity gaps for children's preventative care measures, maternity care, depression screenings and follow up behavioral health emergency visits.

Additionally, the Governor proposes to fund the state’s first-in-the-nation Adverse Childhood Experiences (ACEs) initiative to train health care providers in administering ACEs screenings and recognizing the health effects of childhood trauma. The Governor proposes a one-time expenditure of \$135.1 million (\$67.6 million from the state’s Mental Health Services Fund, remainder is federal funds) over a three-year period to extend Medi-Cal provider training for ACEs screenings.

#### *Medi-Cal Redeterminations*

The January Budget proposal includes funding for counties to resume annual Medi-Cal redeterminations. In both 2021-22 and 2022-23, the budget proposal would provide \$36.5 million General Fund.

#### **AB 85 Redirections**

The AB 85 (Chapter 24, Statutes of 2013) true-up for 2019-20 estimates repayments to Merced County (\$669,000) and Tulare County (\$40,000). The state estimates redirecting \$595.6 million from counties under AB 85 in 2022-2023 and will update this estimate in the May Revision Budget. Please refer to the AB 85 charts in the Appendix for more information.

### **BEHAVIORAL HEALTH**

#### **Behavioral Health Bridge Funding**

The Governor included a \$1.5 billion investment in immediate housing solutions for individuals with behavioral health needs. The funding is to bridge the gap in housing and services for unhoused individuals living with behavioral health needs. The funds will assist with the current crisis until the \$1.4 billion Behavioral Health Infrastructure Continuum funding can be disbursed and implemented. More details will be provided soon, such as what types of housing qualify.

#### **Implementation of 9-8-8 Behavioral Health Crisis Line**

California faces a July 1 deadline to implement a 9-8-8 behavioral health crisis line, similar to 9-1-1. The Governor allocated \$20 million in the fall of 2021 to begin implementation and training efforts and proposes an additional \$7.5 million in the January budget for the California Governor’s Office of Emergency Services to support call handling equipment and coordination between 9-1-1 and 9-8-8. CSAC is advocating for 2-1-1 to also be included in the transition and implementation efforts.

The state also proposes to add crisis services as a mandatory Medi-Cal benefit, starting no sooner than January 1, 2023, for a half-year cost of \$108 million in total funds. Additional work and discussion with counties, providers, consumers, and industry is anticipated for this proposal.

Furthermore, additional policy – and funding – is needed to implement 9-8-8 effectively and increase access to peer support and mobile crisis response. CSAC will be advocating for the creation of workable 9-8-8 policy and funding to support the services envisioned through the new hotline.

### **Opioid Response**

The January budget proposal anticipates an opioid lawsuit settlement allocation, but does not specify the amount. However, the Governor proposes adding some of whatever the state receives to the existing California Medication Assisted Treatment (MAT) Expansion Project as well as dedicating \$96 million for the continuation of the project, especially in jail and prison settings.

### **County Public Hospitals**

In a welcome move, the Governor’s January budget proposal commits to working with public hospital systems on possible financing structures to improve their overall long-term financial stability. These structures could include proposals to increase State General fund and reduce the use of county non-federal share for Medi-Cal payments. CSAC Affiliate California Association of Public Hospitals and Health Systems (CAPH) is spearheading the effort to ensure fiscal stability for these safety-net public systems.

### **Department of State Hospitals**

The January Budget proposal includes \$2.6 billion (\$2.4 billion General Fund) in 2022-23 for the Department of State Hospitals (DSH), and the patient population is expected to reach 8,064 by the end of 2022-23.

The Governor also earmarks \$64.6 million General Fund in 2022-23 for COVID-19 impacts on the DSH system. Just last week, DSH closed intake for all patients due to COVID-19 precautions.

### *Incompetent to Stand Trial*

Please see the Administration of Justice section of this BAB for details on the Administration’s new proposals to reduce the waiting list and overall number of individuals deemed Incompetent to Stand Trial (IST). CSAC has concerns with the Administration’s approach.

## **HUMAN SERVICES**

### **Aging Programs**

The Governor’s January budget includes investments to continue forward with the implementation of the Master Plan for Aging. There is a proposed investment of \$2.1 million to enhance the state’s data dashboard to improve outcomes for statewide Master Plan initiatives. The January budget also includes a proposal for a new position at the California Department of

Aging to coordinate with county Public Conservators on best practices for serving people with probate conservatorships. In addition, there is \$10 million proposed for the Alzheimer's Healthy Brain Initiative to support activities to address dementia. This funding would be used to support the existing six local health jurisdictions and for an expansion of up to an additional six local health jurisdictions. CSAC is fully engaged with the Administration and the Legislature on the Master Plan for Aging, including proposals that aren't addressed specifically in the January budget, and will continue that advocacy moving forward.

### **In-Home Supportive Services**

The In-Home Supportive Services (IHSS) program provides assistance and services to eligible older or disabled individuals to help them remain safely in their homes. For 2022-23, the Governor's January budget proposal includes \$18.5 billion for IHSS, of which \$6.5 billion is from the General Fund. These costs also reflect \$399 million General Fund in 2022-23 for the state minimum wage increases. The budget proposal estimates that average monthly caseload will be 599,000 recipients in 2022-23.

#### *IHSS Back-up Providers*

The Governor's January budget proposal includes the establishment of a permanent IHSS back-up provider system. There is \$24.8 million (\$11.2 million General Fund) included for this system that would allow recipients to get services from a back-up provider in case of immediate needs or emergencies.

### **Child Welfare and Foster Care**

Child welfare services and foster care provide a range of services for children who are at risk of or have been victims of abuse and neglect. The Governor's January budget proposal includes \$665.8 million General Fund for services to children and families. Total funding for children's programs is more than \$8.5 billion when federal funding and 1991 and 2011 Realignment revenues are included. Importantly, the January budget proposal continues the significant multi-year investments to provide preventative services and enhance services to those foster youth with the most complex needs.

#### *Resource Family Approval (RFA)*

The Governor's January budget proposal includes \$6.1 million (\$4.4 million General Fund) for counties to address RFA applications. This funding is one-time, but available to use over three years, for applications that are pending approval for more than 90 days.

#### *Former Foster Youth Tax Credit*

The Governor's January budget proposes a refundable tax credit of \$1,000 for former foster youth who are 18 through 25 years old.

### **Child Support Programs**

The Governor's January budget proposal would make changes to the pass-through for child support payments. Under current law, families receiving CalWORKs assistance do not get the full amount of child support payments passed through to them. Rather, they receive a certain amount depending on how many children are in the home, with the remainder going to federal, state, and county governments. The January Budget proposes to instead provide full pass-through for assigned arrears for families formerly assisted by CalWORKs. The state's share would be waived at estimated costs of \$52.3 million in 2022-23 and \$104.6 million ongoing. Combined with the waiver of the federal government recoupment, an estimated total of \$187 million would go to families. CSAC is working to gather further details on potential impacts to the county share.

### **CalWORKs**

The California Work Opportunity and Responsibility to Kids program is California's version of the federal Temporary Assistance for Needy Families (TANF) program, which provides temporary cash assistance to low-income families with children to meet basic needs as well as welfare-to-work services to help families become self-sufficient. The Governor's January budget proposal includes \$6.6 billion for CalWORKs program expenditures. For 2022-23, the average monthly caseload is estimated to be 398,000 families.

#### *CalWORKs Grant Increase*

The Governor's January budget proposal estimates a 7.1 percent increase for the CalWORKs Maximum Aid Payment levels. This grant increase would cost \$200.7 million and be funded by the Child Poverty and Family Support Subaccount within 1991 Realignment.

### **CalFresh and Nutrition Assistance**

The CalFresh program is California's version of the federal Supplemental Nutrition Assistance Program (SNAP), which provides food benefits to low-income individuals and families. For 2022-23, the average monthly caseload is estimated to be 2.5 million. At the federal level, the Thrifty Food Plan was updated in October 2021 to more accurately reflect the cost of a healthy diet. This resulted in an approximately 22.7 percent benefit increase compared to pre-pandemic levels.

#### *Food Banks*

The Governor's January budget proposal includes \$50 million one-time General Fund for the CalFood program to help meet the needs of low-income and food-insecure populations.

### **Supplemental Security Income (SSI)/State Supplementary Payment (SSP)**

The federal Social Security Department administers monthly supplemental security income (SSI) payments to eligible aged, blind and disabled persons. California has augmented SSI payments

with a state supplementary payment (SSP) payment. The state also provides state-only funded monthly payments to the aged, blind and disabled legal immigrants who do not qualify for SSI/SSP, through the Cash Assistance Program for Immigrants (CAPI). The Governor’s January budget proposal includes \$3.1 billion General Fund for SSI/SSP programs in 2022-23. There is also a 24 percent SSP increase proposed on January 1, 2024 that would fully restore SSP monthly payments to pre-Great Recession levels.

### **Early Childhood Programs**

The Governor’s January Budget proposal includes several investments to support young children and families. These proposals include:

- Funding for an additional 36,000 subsidized child care slots above 2021-22,
- \$373 million to support a full year of rate increases,
- \$25 million for a Child Care Initiative Project to address areas underserved by child care providers, and
- \$10.6 million for the California Infant and Early Childhood Mental Health Consultation program focused on the behavioral health needs of children, families, and child care providers.

## **Homelessness**

The Governor’s January budget proposal includes \$2 billion in homelessness funding over two years. The below proposals are designed to complement homelessness funding approved in the 2021-22 Budget, and aid in California’s response to the ongoing homelessness crisis.

### **Behavioral Health Continuum Infrastructure Program**

The Governor’s January budget proposal includes \$1.5 billion, over two years, for immediate housing solutions for individuals with behavioral health needs. The Department of Health Care Services’ (DHCS) Behavioral Health Continuum Infrastructure program, which was approved in the 2021 budget, will administer the allocation of the \$1.5 billion. The funding will focus on purchasing, installing, and providing support for tiny homes, as well as operational support for other housing settings including assisted living settings.

### **Encampment Resolution Program**

The Encampment Resolution program established through last summer’s budget trailer bill (AB 140 (Chapter 111, Statutes of 2021) allocated \$50 million for competitive grants for cities, counties, and continuums of care (CoCs) to support encampment resolution and the transition of individuals into housing. The Governor’s January budget proposes an additional \$500 million

in one-time General fund to expand the program for short and long-term rehousing strategies for the purpose of assisting in the safe transition of unhoused individuals from encampments.

## Housing, Land Use, and Transportation

### HOUSING AND LAND USE

The Governor’s January budget proposal builds on California’s previous investments in housing and provides an additional \$500 million in Low Income Housing Tax Credits in 2022-23 and an additional \$1.5 billion in General Fund over two years to support the construction of additional subsidized affordable homes.

The January budget states that the Administration is committed to partnering with local governments to streamline housing development and identify land well-suited for “diverse, new downtown-oriented housing” and notes that the California Department of Housing and Community Development (HCD) will release the Statewide Housing Plan identifying the number of new housing units local governments will be required to plan for between now and 2030 in early 2022. CSAC will continue to advocate for policy changes in the Regional Housing Needs Assessment (RHNA) process, especially through the Administration’s AB 101 (Committee on Budget, 2019) forthcoming RHNA report, as well as funding for infrastructure to support affordable housing development in unincorporated areas.

### Infill Funding, State Excess Sites and Adaptive Reuse

The proposed budget notes that the Administration will continue to promote a comprehensive and integrated climate and housing planning framework. The budget proposal includes a \$1 billion one-time General Fund investment over two years to promote housing development in downtown-oriented areas across California, including suburban and rural communities, and includes the following funding allocations:

- Infill Infrastructure Grant Program—\$500 million one-time General Fund for the Infill Infrastructure Grant (IIG) program, which prioritizes prime infill parcels in downtown-oriented areas and brownfields. In prior rounds of IIG funding, CSAC has successfully advocated for set-asides and an over-the-counter grant process for small and rural communities, as well as a flexible definition of infill to account for the unique qualities of rural downtowns.
  - \$225 million to be allocated in 2022-23
  - \$275 million to be allocated in 2023-24
- Affordable Housing and Sustainable Communities—\$300 million one-time General Fund 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.

- \$75 million to be allocated in 2022-23
- \$225 million to be allocated in 2023-24
- State Excess Sites Development—\$100 million one-time General Fund to expand affordable housing development and adaptive reuse opportunities on state excess land sites. This will leverage state land as an asset to accelerate housing opportunities by offering low-cost, long-term ground leases in exchange for affordable and mixed-income housing.
  - \$25 million to be allocated in 2022-23
  - \$75 million to be allocated in 2023-24
- Adaptive Reuse—\$100 million one-time General Fund 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. Projects located in downtown-oriented areas will be prioritized. These per-unit grants will be paired with other HCD awards to remove impediments in delivering adaptive reuse projects.
  - \$50 million to be allocated in 2022-23
  - \$50 million to be allocated in 2023-24

### **One-Time Affordable Housing Funding Supplements**

The Governor’s January budget proposal includes another round of \$500 million in Low-Income Housing Tax Credits to support the development of affordable housing. It also provides a \$500 million one-time General Fund investment over the course of two years for the following programs:

- Mixed-Income Housing—\$200 million one-time General Fund 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.
  - \$50 million to be allocated in 2022-23
  - \$150 million to be allocated in 2023-24
- Portfolio Reinvestment Program—\$200 million one-time General Fund for the Portfolio Reinvestment Program to further preserve targeted units in downtown-oriented areas and continue increasing the state’s affordable housing stock.
  - \$50 million to be allocated in 2022-23
  - \$150 million to be allocated in 2023-24
- Mobilehome Park Rehabilitation and Resident Ownership Program—\$100 million one-time General Fund for HCD’s Mobilehome Park Rehabilitation and Resident



Ownership Program. These funds will finance the preservation and development of affordable mobilehome parks.

- \$25 million to be allocated in 2022-23
- \$75 million to be allocated in 2023-24

## **TRANSPORTATION**

The Governor’s January budget proposal includes a new \$5 billion one-time General Fund allocation to transportation infrastructure, including programs with significant benefits to counties; a \$1.2 billion allocation for goods movement projects targeted at ports; and an additional \$100 million in General Fund for the Clean California local grant program.

The proposal also references the recent passage of the federal Infrastructure Investment and Jobs Act (IIJA), which will increase base federal funding received by California by an estimated \$4.5 billion during the first two years of this five-year bill. CSAC is working closely with counties to participate in the Administration’s implementation process and seeking additional funding for local bridge and safety projects consistent with CSAC’s 2022 legislative priorities.

### **Formula Funding for Local Streets and Roads**

The Governor’s January budget proposal estimates year-over-year increases of 9.1 percent in gasoline excise tax revenue and 6.9 percent in diesel excise tax revenue from 2021-22 to 2022-23. These revenue streams fully fund county Highway User Tax Account allocations and provide approximately 70 percent of county Road Maintenance and Rehabilitation Account (RMRA) allocations. Transportation Improvement Fee revenues, which fund approximately 30 percent of county RMRA allocations, are estimated to grow by approximately 4 percent. CSAC will provide counties detailed revenue estimates for the current year and the budget year later this week.

The January budget also includes a proposal to suspend an estimated 5.6 percent inflationary adjustment to the SB 1 (Chapter 5, Statutes of 2017) gasoline and diesel excise tax rates, which would otherwise be effective July 1, 2022. The Administration proposes to backfill local government revenue losses attributable to this change in 2022-23 with funding from the State Highway Account. Inflationary adjustments would resume in 2023-24, but with a provision to “delay the adjustment should economic conditions warrant.” CSAC will carefully review this proposal and its potential revenue impacts on county road maintenance.

### **General Fund Allocations for Transportation Infrastructure and Programs**

The Governor’s January budget proposal packages authorization for \$4.1 billion in Proposition 1A bond funding for the High-Speed Rail project with a one-time \$5 billion General Fund allocation to the following transportation infrastructure projects:

- Statewide transit and rail projects - \$2 billion
- Southern California transit and rail projects - \$1.25 billion
- Active Transportation Program - \$500 million
- Rail Grade Separation Projects - \$500 million
- State and local climate adaptation transportation grants - \$400 million
- Reconnective Communities: Highways to Boulevards Pilot Program - \$150 million
- Highway Safety Improvement Program bicycle and pedestrian safety projects - \$100 million

The January budget also includes \$1.2 billion in General Fund for goods movement projects related to ports and \$6.1 billion (\$3.5 billion General Fund, \$1.5 billion Proposition 98, \$676 million Greenhouse Gas Reduction Fund, and \$383 million Federal Funds) in one-time funds over five years for deployment of Zero Emissions Vehicles (ZEV). The ZEV funding includes \$900 million to expand charging infrastructure in low-income neighborhoods. Finally, the January budget proposes an additional \$100 million for the Clean California Local Grant program, which provides grants for local agencies to beautify and mitigate litter on publicly owned property.

## Agriculture, Environment and Natural Resources

The Governor’s proposed budget includes significant investments to prepare for, and protect against, our changing climate. The proposal builds on legislative efforts, significant two-year investments passed in 2021, and ongoing policies focusing on wildfire prevention, drought, energy infrastructure and workforce development.

### EMERGENCY PREPAREDNESS AND RESPONSE

#### Wildfire and Forest Resilience

The January Budget proposes to continue significant investments in wildfire resilience given increasing wildfire activity throughout the state. Building upon 2021’s historic investments, the budget includes \$1.2 billion (\$800 million General Fund and \$400 million Greenhouse Gas Reduction Funds [GGRF]) over two years for wildfire and forest resilience. When added to the multi-year funding from 2021, this totals \$2.7 billion over four years for wildfire and forest resilience. Specifically, the budget proposes:

- \$482 million for forest thinning, replanting trees, expanded grazing, and utilizing prescribed fire.
- \$382 million for state investment in local fuel breaks, including grants to local communities to develop fire safety projects.

- \$44 million for community hardening, including improved defensible space, home and community retrofits, and education programs.
- \$50 million each year for reforestation.
- \$30 million (General Fund) over two years to support community colleges and vocational training programs to train, develop, and certify forestry professionals and expand the workforce available for forest health and fuels reduction.
- \$110 for targeted regional investments including technical support for cross-jurisdictional regional plans, partnering with the Regional Forest and Fire Capacity Program, and key state conservancies.
- \$44 million to expand the wood product supply.

### **Firefighting Workforce and Surge Capacity**

The January Budget recognizes the changing state and local needs for a robust firefighting program, from individual firefighters to expanded infrastructure and equipment. The proposal focuses on both firefighter health as well as wildland fire aviation assets. Specifically, proposed investments include:

- \$400 million on an ongoing basis to improve the health and wellness of firefighters. Details are not available, but the proposal is intended to address the increasing demands of wildland firefighting in a year-round context.
- \$35.8 million (one-time, General Fund and \$2.8 million ongoing) for surge capacity fire engines and bulldozers. This would add two surge engines per CalFIRE unit and contract county, and ten additional bulldozers statewide.
- \$68 million in 2022-23 and \$81 million ongoing to convert 16 seasonal fire crews to year-round availability, and 20 new and permanent fire crews to the statewide system.
- \$144 million for additional aviation assets, including one Type 1 Helitanker and four Fire Hawk helicopters.

### **Mutual Aid System**

The budget includes funding for mutual aid programs that are stressed by more frequent, complicated, and often simultaneous emergencies and disasters involving multiple counties at any given time. The proposal focuses on enhancing the fire and rescue mutual aid fire fleet with \$11.2 million proposed to flow through Cal-OES for surge capacity through the Fire and Rescue Division. In addition, the budget proposes \$30 million and 31 positions to permanently establish the Fire Integrated Real-Time Intelligence System (FIRIS) to increase the real-time information and situational awareness availability to all state and local mutual aid system responders and managers on all-hazards events.

The budget also proposes \$5.8 million to enhance key partnerships with local government and other local stakeholders to address heightened risks through enhanced partnerships.

### **California Earthquake Early Warning System.**

The budget proposes \$17.1 million ongoing, to support education and outreach, operations, and research and development of the system for increased earthquake sensor density in rural parts of Northern California.

## **DROUGHT**

The budget proposes \$750 million General Fund to address immediate drought response needs with \$250 million set aside for unspecified contingency. When added to the multi-year 2021 drought investments, the total reaches nearly \$6 billion for water resilience and drought response. New funding proposed includes:

- \$180 million for grants to large urban and small water suppliers for water efficiency, infrastructure leaks, demand reduction, and other local drought tools.
- \$145 million for local emergency drought assistance and grants to local water agencies facing loss of water supplies.
- \$75 million for fish and wildlife protection and development of resilient natural systems.
- \$40 million to repurpose irrigated agricultural land to reduce reliance on groundwater. Funding is intended to provide co-benefits for community and economic health, water supply, habitat, and renewable energy.
- \$30 million to local water districts for development of groundwater recharge projects.
- \$20 million for the State Water Efficiency and Enhancement Program (SWEET), which provides on-farm water reduction projects.
- \$10 million for technical assistance and drought relief for small farmers.

## **ENERGY**

### **2022 Energy and Climate Initiative**

The budget proposes a new initiative funded with \$2 billion General Fund over two years to continue to shift the state away from oil production. This builds off a 2021 investment of \$600 million allocated to the Community Economic Resilience Fund for regional strategies to support economic and workforce transitions caused by climate change. The proposal seeks to help local governments transition to clean energy. It includes \$450 million over three years to stabilize local governments, though details are not available on how counties can expect to access these funds. Specifically, the larger energy and climate proposal includes:

- \$215 million General Fund over two years to plug orphan or idle wells, decommission facilities, and complete environmental remediation. Of this amount, \$15 million is allocated to support a workforce training pilot program to train displaced oil and gas workers in remediating legacy oil infrastructure.

- \$50 million General Fund to establish a fund for displaced oil and gas workers as the state continues to phase out oil production.
- \$380 million General Fund over two years to invest in long-duration storage projects designed to support grid reliability and resilience in the face of increasing risks from wildfires and other grid destabilizers.
- \$85 million for grants to food producers to install technologies designed to reduce carbon emissions.
- \$45 million to create a new Offshore Wind Energy Deployment Facility Improvement Program.
- \$962 million for building decarbonization, including \$662 million for low-income building retrofits.
- \$200 million (climate funds) to invest in zero-emission demonstration and pilot projects in high carbon-emitting sectors such as maritime, aviation, rail, and other off-road applications.

### *Lithium Development*

As a new initiative, the budget discusses a broad push to support areas developing lithium, including the Salton Sea, through the Lithium Valley Commission and future legislation. The focus is on both expedited permitting, royalties, labor and workforce investment, and business incentives.

## **ENVIRONMENT AND EQUITY**

### **Community Resilience and Extreme Heat**

The January Budget includes funding for several existing programs designed to help local communities and residents through extreme heat events. The proposal includes \$25 million for community resilience centers, \$25 million for direct programs and grants to reduce the impacts of extreme heat and the urban heat island effect, and \$100 million for nature-based cooling solutions including tree canopy and green infrastructure.

### **Outdoors for All Initiative (Parks)**

The January Budget prioritizes funding for local and state park infrastructure under the umbrella of the Outdoors for All Initiative. This initiative intends to connect more people to the outdoors through community outreach and cultural heritage programs, among others. The proposal adds \$50 million for cultural and art installation in state parks, \$50 million for infrastructure projects to increase equitable access to state parks, and \$9.8 million to support California Native American’s engagement and interpretation in state parks.

### **Local Air Quality Protection and Equity Programs**

# ACTION

The January Budget includes continued investments in climate programs, from zero-emission vehicles to air quality investments. Specifically, the budget includes:

- \$240 million to support the Community Air Protection Program (AB 617 [Chapter 136, Statutes of 2017]), 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.
- \$30 million for expanding monitoring in disadvantaged communities, to deploy local and real-time pollution monitoring, including climate, air, and toxic emissions, in disadvantaged communities across the state.
- \$350,000 General Fund for targeted biomonitoring studies in communities disproportionately impacted by air pollution.

### **Recycling**

The 2021 legislative year brought many changes to county recycling, chief among them the implementation of organic recycling programs. CSAC, along with local government partners, successfully advocated for \$270 million over two years to provide direct support for local governments in the implementation of organic waste recycling. The 2022-23 budget proposal allocates the remaining \$65 million of this two-year investment but does not include additional funding for local government implementation.

The January Budget includes a proposal to implement labeling requirements for compostable and biodegradable products under the recently passed AB 1201 (Chapter 504, Statutes of 2021). While unclear at this time, the proposal may impact implementation of overall organics recycling programs.

### **CANNABIS**

The 2020-21 Governor's Budget included a proposal to consolidate state cannabis operations into one entity. On July 12, 2021, the functions and positions of the Bureau of Cannabis Control, the Department of Food and Agriculture's CalCannabis Cultivation Licensing Division, and the Department of Public Health's Manufactured Cannabis Safety Branch, were consolidated into a new stand-alone Department of Cannabis Control. This consolidation is intended to streamline regulation and oversight and simplify participation in the legal market. In addition, the Governor's Budget includes \$5.5 million to begin planning for a single licensing system for all cannabis license types.

The Governor's Budget mentions the intention to develop a grant program for local governments to assist with expanding "legal retail access to consumers" by this spring.

However, no details were provided on what this program would look like or what the specific goal is. CSAC staff will continue to engage with the Administration on this, and all, cannabis issues.

### **Cannabis Taxes**

The Governor's Budget states the Administration's support for cannabis tax reform to help stabilize the legal market, support small, licensed operators, and strengthen compliance with state law. Proposition 64, also known as the Adult Use of Marijuana Act, levies excise taxes on the cultivation and retail sale of both recreational and medical cannabis. The cultivation tax was increased, to adjust for inflation, to \$10.08 per ounce of flower, \$3.00 per ounce of trim, and \$1.41 per ounce of fresh cannabis plant on January 1, 2022. In addition, there is a 15 percent tax on the retail price of cannabis. Cannabis excise taxes generated \$770 million in 2020-21 and are projected to generate \$711 million in 2021-22, and \$787 million in 2022-23. The decline for 2021-22 reflects tax data for the first quarter of that fiscal year indicating that consumption in the quarter fell compared to 2020-2021.

Proposition 64 also established the Cannabis Tax Fund, and specifies expenditures are prioritized for regulatory and administrative workload necessary to implement, administer, and enforce the Cannabis Act, followed by research and activities related to the legalization of cannabis and the past effects of its criminalization. Once these priorities have been met, the remaining funds are allocated to youth education, prevention, early intervention, and treatment; environmental protection; and public safety-related activities. The Budget estimates \$594.9 million will be available for these purposes in 2022-23, a decrease of \$34.2 million compared to the allocation estimates in the 2021 Budget Act.

- *Education, prevention, and treatment of youth substance use disorders and school retention—60 percent (\$356.9 million)*
- *Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—20 percent (\$119 million)*
- *Public safety-related activities—20 percent (\$119 million)*

## **AGRICULTURE**

### **Climate Actions in the Farming Sector**

The Governor's January budget focuses on direct support to farms to assist with transitions to more climate-friendly practices. The budget proposes \$417 million to add to a multi-year climate smart investment program (\$1.1 billion in 2021 for two-years investments), including:

- \$150 million to support the replacement of equipment used in agricultural operations.
- \$85 million for the Healthy Soils Program that provides grants for on-farm conservation management practices.
- \$25 million for Climate Smart Agricultural loans.

# ACTION

- \$22 million for technical assistance grants for the development of conservation plans, carbon sequestration plans and organics transitions designed to reduce carbon and water on farms.

## Administration of Justice

### Local Public Safety

#### *Division of Juvenile Justice (DJJ) Realignment*

The Governor's January Budget proposal acknowledges the need to upgrade local juvenile facility infrastructure to serve all realigned justice-involved youth, pending the full closure of the DJJ by June 30, 2023. The January Budget includes a \$100 million one-time General Fund investment to support improvements to county-operated juvenile facilities more conducive to serving justice-involved youth with a wide range of needs, focused on supporting trauma informed care, restorative justice, and rehabilitative programming. This builds off \$9.6 million in one-time funds for the Regional Youth Program and Facilities Grant Program authorized by SB 823 (Chapter 337, Statutes of 2020).

The Governor's January Budget proposal also notes that DJJ is currently experiencing challenges with staff recruiting and retention. The Administration plans to engage with stakeholders to identify solutions to address the concerns given the critical role staff play in the delivery of programming and treatment, and impact they have on the outcomes of justice-involved youth.

#### *Suspension of Intake to State Prisons*

The state has provided \$243.9 million General Fund to counties for holding incarcerated persons on behalf of the state, reflecting payments for individuals held in county jails throughout the pandemic. Current projections suggest a total of approximately \$20 million in additional reimbursements will be issued in 2021-22 as the backlog is reduced and then eliminated.

#### *Real Public Safety Plan*

The Governor's January Budget proposal includes investments to support a multifaceted strategy to crack down on organized retail theft and to remove guns and drugs from the community. The Real Public Safety Plan proposes a total of \$356 million General Fund over three years, \$132 million in 2022-23, including but not limited to \$85 million annually through 2024-25 in competitive grants for police departments, county sheriffs, and probation departments to enforce theft-related laws and \$10 million annually through 2024-25 for competitive grants to local District Attorneys to create dedicated retail theft prosecution teams handling cases from arraignment to sentencing.



### *Proposition 47 Savings Estimate*

Proposition 47, approved by the voters in 2014, requires misdemeanor rather than felony sentencing for certain property and drug crimes and permits incarcerated persons previously sentenced for these reclassified crimes to petition for resentencing. Each year, state savings from the implementation of Proposition 47 is required to be transferred and re-allocated in grant programs as specified in the initiative. The Governor's January Budget proposal estimates total state savings of \$147.3 million in 2022-23.

### *Post Release Community Supervision (PRCS)*

The Governor's January Budget includes \$23.2 million one-time General Fund for county probation departments to supervise the temporary increase in daily population of individuals on PRCS as a result of the implementation of Proposition 57, approved by the voters in 2016.

### *Community Corrections Performance Incentive Grant*

The Community Corrections Performance Incentive Grant, established by SB 678 (Chapter 608, Statutes of 2009), was created to provide incentives for counties to reduce the number of felony probationers sent to state prison. The Governor's January Budget contains \$115 million one-time General Fund to support the incentive program.

## **Judicial Branch**

The Governor's January Budget proposal includes a total of \$4.9 billion (\$3 billion General Fund and \$1.9 billion other funds) for the Judicial Branch, which includes \$2.8 billion to support trial court operations.

### *Reducing Criminal Fines and Fees for Low Income Californians*

AB 1869 (Chapter 92, Statutes of 2020) eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees imposed to recover costs related to providing public defense and probation supervision. AB 177 (Chapter 257, Statutes of 2021) eliminated the ability of state and local agencies to impose certain administrative fees for criminal offenses, such as fees to recover the administrative costs related to collection of restitution, among other fees, commencing January 1, 2022. A \$13.4 million investment is included in the Governor's January Budget to provide ongoing backfill for the estimated loss of revenue for trial courts as a result of the fees eliminated by AB 177. CSAC supported both AB 1869 and AB 177 as they included a General Fund backfill for the impact it will have on local revenue and program delivery. We will continue to work with stakeholders throughout the year on the allocation of these resources as criminal justice fees are one of CSAC's top priorities.

Additionally, in continuation of the Administration's efforts to provide further financial relief for individuals from the imposition of fines and fees, the Governor's January Budget includes

statutory changes to reduce civil assessment fees by half, from a maximum of \$300 to \$150. The proposal includes \$50 million ongoing General Fund to backfill the resulting loss in revenue for trial courts. Furthermore, the Governor’s January Budget includes \$117.8 million ongoing to continue backfilling the Trial Court Trust Fund for a decline in revenues expected in 2022-23.

### **California Department of Corrections and Rehabilitation (CDCR)**

The Governor’s January Budget proposal includes a total of \$14.2 billion (\$13.8 billion General Fund and \$363.4 million other funds) for CDCR. Due to the impacts of COVID-19, state intake suspension from county jail, early release programs, and Proposition 57, the adult inmate population has declined substantially. The average daily adult incarcerated population for 2021-22 is now projected to total 104,554. Current projections show the adult incarcerated population is temporarily trending upward and is expected to increase by 8,310 individuals between 2021-22 and 2022-23, primarily because CDCR has resumed intake of individuals sentenced to prison, but who remain in county jails awaiting transfer to state prison. The population is projected to resume long-term downward trends to 100,361 in 2024-25.

### **Department of Justice (DOJ)**

The Governor’s January Budget includes total funding of approximately \$1.2 billion, including \$433 million General Fund to support DOJ. More specifically, the Budget proposes:

- \$2.3 million General Fund in 2022-23, and \$1.6 million ongoing to investigate officer-involved shootings pursuant to AB 1506 (Chapter 326, Statutes of 2020).
- \$7.4 million (\$3.4 million General Fund) in 2022-23 and \$6.5 million (\$2.7 General Fund) ongoing to prepare records pertaining to police officer conduct for public disclosure pursuant to SB 16 (Chapter 402, Statutes of 2021).
- \$1.3 million General Fund in 2022-23 and \$1.2 million ongoing to respond to additional investigations that fall within the expanded definition of “law enforcement gangs,” pursuant to AB 958 (Chapter 408, Statutes of 2021).

### **Commission on Peace Officer Standards and Training (POST)**

The Governor’s January Budget includes resources to enable POST to hold peace officers accountable for serious misconduct, as well as to emphasize wellness programs for a broad range of law enforcement professionals:

- \$22.7 million General Fund in 2022-23, and \$20.6 million ongoing, for POST to support implementation of SB 2 (Chapter 409, Statutes of 2021), which authorized POST to suspend, revoke, or cancel any peace officer certifications under specified conditions.
- \$5 million one-time General Fund in 2022-23, to be spent over three years, to support the physical, mental, and emotional health of local law enforcement personnel through sustainable wellness programs, training, and research.

## Department of State Hospitals (DSH)

The Governor's January Budget proposal includes \$2.6 billion (\$2.4 billion General Fund) in 2022-23 to support DSH.

### *Felony Incompetent to Stand Trial*

DSH continues to experience a growing number of incompetent to stand trial (IST) commitments, who are referred from trial courts and are awaiting admission to the state hospital system. This increase has been further exacerbated by the ongoing COVID-19 pandemic, necessary infection control measures put in place by DSH, and the June 2021 *Stiavetti v. Clendenin* appellate court order, which requires DSH to provide substantive competency restoration services for all ISTs within 28 days receipt of the commitment packet from the court. The patient population is expected to reach 8,064 by the end of 2022-23.

However, despite the additional investments outlined below, the Administration is proposing the creation of a growth cap on IST referrals that will include a county cost sharing methodology if the cap is exceeded. The intent of the proposed cap would be to support the goal of providing care in the least restrictive community-based settings without "creating unintended incentives that drive additional IST referrals."

Additionally, the state continues to maintain the "LPS trigger," which would allow DSH to discontinue the admission of new LPS patients, establish LPS reduction targets for counties, and charge counties that do not achieve reductions 150 percent of the current bed rate for these patients if the IST wait list is not reduced.

CSAC will continue to engage with DHS and the Administration on these worrisome policies.

In the fall of 2021, DSH convened an IST Workgroup to identify actionable solutions to address the increasing number of individuals with serious mental illness who are deemed felony IST. The Governor's January Budget proposal includes statutory language authorizing DOF to augment DSH's budget by an additional \$350 million General Fund building on the \$175 million already available in 2022-23 for the purposes of implementing solutions identified by the Workgroup.

Informed by the deliberations of the Workgroup, the Governor's January Budget proposal reflects spending of \$93 million General Fund in 2021-22, \$571 million General Fund in 2022-23 and ongoing funds that provide for:

- Early Stabilization and Community Care Coordination to provide immediate solutions to support access to treatment for the nearly 1,700 individuals currently found IST on felony charges and waiting in jail, and to reduce the flow of new referrals. This includes funding for:

# ACTION

- Early access to medication stabilization teams to encourage treatment in jail settings.
- Statewide funding for medication support.
- DSH case management teams to coordinate IST care with counties and other community providers.
- Expand Diversion and Community-Based Restoration Capacity to increase treatment alternatives for IST individuals by investing in the community infrastructure required to support the population.
  - Infrastructure to increase the number of residential beds in the community dedicated to DSH Diversion and Community-Based Restoration programs.
  - Increased funding for counties to expand DSH Diversion and Community-Based Restoration.
  - Supporting county partnerships for entities impacted by felony IST community placements.
  - Workforce development support for counties and community providers.

## Government Finance and Administration

### Revenue Estimates

California’s revenues continue to outpace previous predictions as the economy recovers from the COVID-19 Recession, with General Fund revenue higher than the 2021 Budget Act projections by nearly \$28.7 billion for the three fiscal years 2020-21 through 2022-23. This increase is largely attributed to three main factors: a greater proportion of wage gain in high-wage sectors, a stronger than predicted stock market, and accelerated inflation. Total General Fund revenue is expected to be \$196.7 billion in 2021-22 and \$195.7 billion in 2022-23.

Sales and use tax revenue generated \$29.1 billion to the General Fund in 2020-21 and is estimated to generate \$30 billion in 2021-22 and \$32.2 billion in 2022-23. These numbers reflect an increase in \$1.1 billion in 2020-21, \$1.9 billion in 2021-22, and \$3.1 billion in 2022-23. These increases are largely a result of greater spending on taxable goods and higher inflation.

Unlike sales and use tax revenue, property tax revenue remains largely unchanged from the 2021 Budget Act estimates. Despite the significant 22 percent increase in the median sales price of single-family homes, fewer transfers occurred in 2020-21 than anticipated and resulted in a modest 5.3 percent increase in 2020-21. Statewide property tax revenue is estimated to increase 6.2 percent in 2021-22 and 6.1 percent in 2022-23.

### Economic Outlook

In April 2020, California’s unemployment rate reached a record-high 16 percent. While the unemployment rate has not yet gone back down to pre-pandemic levels, it decreased to 6.9 percent by November 2021. Although California saw a return of about 70 percent of the 2.7 million jobs lost in March and April 2020, low-wage sectors continue to struggle bouncing back. California’s low-wage sectors remain 6 percent below February 2020 levels, while high-wage sectors remain just 3.4 percent lower.

Despite optimistic economic forecasts, many uncertainties could significantly disrupt California’s recovery. For example, key assumptions do not consider additional COVID-19 surges from new variants, such as the Omicron variant. Omicron and other potential new variants have the potential to exacerbate low labor force participation, high inflation, and supply chain issues.

### **Gann Limit**

The January Budget Proposal reflects \$34.6 billion in overall reserves, including \$20.9 billion in the rainy day fund, which would be funded up to its constitutional limit. Any contributions over that amount would count toward the state’s spending limit (often called the Gann limit, which counties also must abide by). Under current estimates, the state would go over its Gann limit by \$2.6 billion for the two-year period ending in June but would not go over it in 2022-23. Any revenue above the limit would have to be spent on unrestricted grants to local agencies, infrastructure, emergency response, or downward revisions to tax rates.

**1991 Realignment Estimate at 2022 Governor's Budget**

(Dollars in Thousands)

2020-21 State Fiscal Year							
Amount	CalWORKs MOE	Health	Social Services	Mental Health	Family Support	Child Poverty	Totals
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$2,860	\$2,296,188	\$-	\$440,789	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,017,203	216,223	-	185,798	290,884	2,073,493
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,020,063</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$626,588</b>	<b>\$393,803</b>	<b>\$5,658,297</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$10,839	\$62,193	\$113,784	\$115,314	\$-	\$148,661	\$450,791
Caseload Subaccount	-	-	(113,784)	-	-	-	(113,784)
General Growth Subaccount	(10,839)	(62,193)	-	(115,314)	-	(148,661)	(337,007)
Vehicle License Fee Growth Account	4,280	53,748	-	104,743	-	128,475	291,246
<b>Subtotal Growth</b>	<b>\$15,119</b>	<b>\$115,941</b>	<b>\$113,784</b>	<b>\$220,057</b>	<b>\$-</b>	<b>\$277,136</b>	<b>\$742,037</b>
<b>Total Realignment 2020-21<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,136,005</b>	<b>\$2,626,195</b>	<b>\$220,057</b>	<b>\$626,588</b>	<b>\$670,939</b>	<b>\$6,400,334</b>
Change From 2021 Enactment	\$-	\$26,047	\$4,196	\$93,894	\$20,242	\$110,646	\$255,024
2021-22 State Fiscal Year							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$85,621	\$2,409,972	\$115,314	\$420,222	\$251,580	\$4,035,595
Vehicle License Fee Account	367,663	1,053,168	212,632	96,898	182,713	412,396	2,325,471
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,138,789</b>	<b>\$2,622,604</b>	<b>\$212,212</b>	<b>\$602,934</b>	<b>\$663,976</b>	<b>\$6,361,066</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$44,618	\$125,329	\$90,504	\$-	\$106,652	\$367,103
Caseload Subaccount	-	-	(125,329)	-	-	-	(125,329)
General Growth Subaccount	-	(44,618)	-	(90,504)	-	(106,652)	(241,774)
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$44,618</b>	<b>\$125,329</b>	<b>\$90,504</b>	<b>\$-</b>	<b>\$106,652</b>	<b>\$367,103</b>
<b>Total Realignment 2021-22<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,183,407</b>	<b>\$2,747,933</b>	<b>\$302,716</b>	<b>\$602,934</b>	<b>\$770,627</b>	<b>\$6,728,169</b>
Change From 2021 Enactment	\$-	\$47,598	(19,354)	\$131,035	\$-	\$156,695	\$315,975
2022-23 State Fiscal Year							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$137,542	\$2,535,301	\$205,818	\$412,919	\$358,231	\$4,402,698
Vehicle License Fee Account	367,663	1,053,168	212,632	96,898	182,713	412,396	2,325,471
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,190,710</b>	<b>\$2,747,933</b>	<b>\$302,716</b>	<b>\$595,631</b>	<b>\$770,627</b>	<b>\$6,728,169</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$-	\$16,465	\$75,530	\$33,398	\$-	\$39,356	\$164,749
Caseload Subaccount	-	-	(75,530)	-	-	-	(75,530)
General Growth Subaccount	-	(16,465)	-	(33,398)	-	(39,356)	(89,219)
Vehicle License Fee Growth Account	-	13,354	-	27,088	-	31,921	72,363
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$29,819</b>	<b>\$75,530</b>	<b>\$60,485</b>	<b>\$-</b>	<b>\$71,277</b>	<b>\$237,112</b>
<b>Total Realignment 2022-23<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,220,529</b>	<b>\$2,823,463</b>	<b>\$363,202</b>	<b>\$595,631</b>	<b>\$841,905</b>	<b>\$6,965,281</b>

<sup>1/</sup> Excludes \$14 million in Vehicle License Collection Account moneys not derived from realignment revenue sources.

## 2011 Realignment Estimate at 2022 Governor's Budget

(Dollars in Millions)

	2020-21		2021-22		2022-23	
	2020-21	Growth	2021-22	Growth	2022-23	Growth
<b>Law Enforcement Services</b>	<b>\$2,633.8</b>		<b>\$2,936.5</b>		<b>\$3,160.0</b>	
Trial Court Security Subaccount	567.0	30.3	597.3	22.4	619.6	13.5
Enhancing Law Enforcement Activities Subaccou	489.9	242.4	489.9	268.0	489.9	297.3
Community Corrections Subaccount	1,366.0	227.0	1,593.0	167.7	1,760.6	101.5
District Attorney and Public Defender Subaccount	41.6	15.1	56.7	11.2	67.9	6.8
Juvenile Justice Subaccount	169.4	30.3	199.6	22.4	222.0	13.5
Youthful Offender Block Grant Special Accour	(160.0)	-	(188.6)	-	(209.7)	-
Juvenile Reentry Grant Special Account	(9.3)	-	(11.0)	-	(12.3)	-
<b>Growth, Law Enforcement Services</b>		<b>545.0</b>		<b>491.6</b>		<b>432.5</b>
<b>Mental Health</b>	<b>1,120.6</b>	28.1	<b>1,120.6</b>	20.8	<b>1,120.6</b>	12.6
<b>Support Services</b>	<b>3,885.6</b>		<b>4,419.5</b>		<b>4,814.0</b>	
Protective Services Subaccount	2,397.2	252.9	2,650.1	186.8	2,837.0	113.0
Behavioral Health Subaccount	1,488.4	281.0	1,769.4	207.6	1,977.0	125.6
Women and Children's Residential Treatment Services	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>562.1</b>		<b>415.2</b>		<b>251.2</b>
<b>Account Total and Growth</b>	<b>\$8,747.0</b>		<b>\$9,383.4</b>		<b>\$9,778.3</b>	
<b>Revenue</b>						
1.0625% Sales Tax	8,002.7		8,612.5		8,985.1	
General Fund Backfill	12.0		12.9		6.0	
Motor Vehicle License Fee	732.3		757.9		787.2	
<b>Revenue Total</b>	<b>\$8,747.0</b>		<b>\$9,383.4</b>		<b>\$9,778.3</b>	

This chart reflects estimates of the 2011 Realignment subaccount and growth allocations based on current revenue forecasts and in accordance with the formulas outlined in Chapter 40, Statutes of 2012 (SB 1020).

## FY 2019-20 Redirection Summary

CMSP	Previously Redirected	Calculated Redirection		Reconciliation
Alpine	\$ 13,150.00	\$ 13,150.00		\$ -
Amador	\$ 620,264.00	\$ 620,264.00		\$ -
Butte	\$ 5,950,593.00	\$ 5,950,593.00		\$ -
Calaveras	\$ 913,959.00	\$ 913,959.00		\$ -
Colusa	\$ 799,988.00	\$ 799,988.00		\$ -
Del Norte	\$ 781,358.00	\$ 781,358.00		\$ -
El Dorado	\$ 3,535,288.00	\$ 3,535,288.00		\$ -
Glenn	\$ 787,933.00	\$ 787,933.00		\$ -
Humboldt	\$ 6,883,182.00	\$ 6,883,182.00		\$ -
Imperial	\$ 6,394,422.00	\$ 6,394,422.00		\$ -
Inyo	\$ 1,100,257.00	\$ 1,100,257.00		\$ -
Kings	\$ 2,832,833.00	\$ 2,832,833.00		\$ -
Lake	\$ 1,022,963.00	\$ 1,022,963.00		\$ -
Lassen	\$ 687,113.00	\$ 687,113.00		\$ -
Madera	\$ 2,882,147.00	\$ 2,882,147.00		\$ -
Marin	\$ 7,725,909.00	\$ 7,725,909.00		\$ -
Mariposa	\$ 435,062.00	\$ 435,062.00		\$ -
Mendocino	\$ 1,654,999.00	\$ 1,654,999.00		\$ -
Modoc	\$ 469,034.00	\$ 469,034.00		\$ -
Mono	\$ 369,309.00	\$ 369,309.00		\$ -
Napa	\$ 3,062,967.00	\$ 3,062,967.00		\$ -
Nevada	\$ 1,860,793.00	\$ 1,860,793.00		\$ -
Plumas	\$ 905,192.00	\$ 905,192.00		\$ -
San Benito	\$ 1,086,011.00	\$ 1,086,011.00		\$ -
Shasta	\$ 5,361,013.00	\$ 5,361,013.00		\$ -
Sierra	\$ 135,888.00	\$ 135,888.00		\$ -
Siskiyou	\$ 1,372,034.00	\$ 1,372,034.00		\$ -
Solano	\$ 6,871,127.00	\$ 6,871,127.00		\$ -
Sonoma	\$ 13,183,359.00	\$ 13,183,359.00		\$ -
Sutter	\$ 2,996,118.00	\$ 2,996,118.00		\$ -
Tehama	\$ 1,912,299.00	\$ 1,912,299.00		\$ -
Trinity	\$ 611,497.00	\$ 611,497.00		\$ -
Tuolumne	\$ 1,455,320.00	\$ 1,455,320.00		\$ -
Yuba	\$ 2,395,580.00	\$ 2,395,580.00		\$ -
CMSP Board	\$ 246,481,354.74	\$ 246,481,354.74		\$ -
<b>SUBTOTAL</b>	<b>\$ 335,550,315.74</b>	<b>\$ 335,550,315.74</b>		<b>\$ -</b>
<b>Article 13 60/40</b>				
	Previously Redirected	Calculated Redirection		Reconciliation
Placer	\$ 3,235,327.44	\$ 3,235,327.44		\$ -
Sacramento	\$ 31,711,207.93	\$ 31,711,207.93		\$ -
Santa Barbara	\$ 8,088,398.56	\$ 8,088,398.56		\$ -
Stanislaus	\$ 10,851,727.88	\$ 10,851,727.88		\$ -
Yolo	\$ 943,110.00	\$ 943,110.00		\$ -
<b>SUBTOTAL</b>	<b>\$ 54,829,771.81</b>	<b>\$ 54,829,771.81</b>		<b>\$ -</b>
<b>Article 13 Formula</b>				
	Previously Redirected	Calculated Redirection		Reconciliation
Fresno	\$ 15,554,018.64	\$ 15,554,018.64	MAX	\$ (0.00)
Merced	\$ 3,518,516.92	\$ 2,849,234.46		\$ (669,282.46)
Orange	\$ 41,297,960.57	\$ 41,297,960.57	MAX	\$ (0.00)
San Diego	\$ 44,665,770.46	\$ 44,665,770.46	MAX	\$ (0.00)
San Luis Obispo	\$ 2,866,302.80	\$ 2,866,302.80	MAX	\$ (0.00)
Santa Cruz	\$ 3,728,890.02	\$ 3,728,890.02	MAX	\$ (0.00)
Tulare	\$ 6,325,238.16	\$ 6,284,396.84		\$ (40,841.32)
<b>SUBTOTAL</b>	<b>\$ 117,956,697.57</b>	<b>\$ 117,246,573.79</b>		<b>\$ (710,123.78)</b>
<b>DPH</b>				
	Previously Redirected	Calculated Redirection		Reconciliation



Alameda	\$	-	\$	-		\$	-
Contra Costa	\$	-	\$	-		\$	-
Kern	\$	16,385,619.36	\$	15,788,292.12	MAX	\$	(597,327.24)
Los Angeles	\$	-	\$	190,875,261.03		\$	190,875,261.03
Monterey	\$	6,117,761.52	\$	5,894,699.21	MAX	\$	(223,062.31)
Riverside	\$	8,274,191.04	\$	37,806,716.57	MAX	\$	29,532,525.53
San Bernardino	\$	30,960,660.24	\$	29,830,325.92	MAX	\$	(1,130,334.32)
San Francisco	\$	-	\$	-		\$	-
San Joaquin	\$	-	\$	-		\$	-
San Mateo	\$	-	\$	-		\$	-
Santa Clara	\$	10,541,260.44	\$	-		\$	(10,541,260.44)
Ventura	\$	15,468,579.73	\$	15,012,139.91	MAX	\$	(456,439.82)
<b>SUBTOTAL</b>	<b>\$</b>	<b>87,748,072.33</b>	<b>\$</b>	<b>295,207,434.77</b>		<b>\$</b>	<b>207,459,362.44</b>
<b>DHCS Total</b>	<b>\$</b>	<b>205,704,769.90</b>	<b>\$</b>	<b>412,454,008.56</b>		<b>\$</b>	<b>206,749,238.66</b>
<b>Grand Total</b>	<b>\$</b>	<b>596,084,857.45</b>	<b>\$</b>	<b>802,834,096.11</b>		<b>\$</b>	<b>206,749,238.66</b>

**FY22/23 Interim  
Redirection Calculation**

CMSP	22-23 Realignment		Maintenance of Effort	60% Realignment + 60% MOE	Jurisdictional Risk Limitation	Adjustment to CMSP Board	Redirection
	Sales Tax	VLF					
Alpine	\$ 54,635.35	\$ 120,128.82	\$ 21,465.00	\$ 117,737.50	\$ 13,150.00	\$ 104,587.50	\$ 13,150.00
Amador	\$ 805,458.13	\$ 1,668,276.74	\$ 278,460.00	\$ 1,651,316.92	\$ 620,264.00	\$ 1,031,052.92	\$ 620,264.00
Butte	\$ 5,821,487.05	\$ 11,276,422.16	\$ 724,304.00	\$ 10,693,327.93	\$ 5,950,593.00	\$ 4,742,734.93	\$ 5,950,593.00
Calaveras	\$ 897,483.18	\$ 1,785,403.33	\$ -	\$ 1,609,731.91	\$ 913,959.00	\$ 695,772.91	\$ 913,959.00
Colusa	\$ 725,876.10	\$ 1,433,617.83	\$ 237,754.00	\$ 1,438,348.76	\$ 799,988.00	\$ 638,360.76	\$ 799,988.00
Del Norte	\$ 820,154.55	\$ 1,654,696.53	\$ 44,324.00	\$ 1,511,505.05	\$ 781,358.00	\$ 730,147.05	\$ 781,358.00
El Dorado	\$ 3,310,285.20	\$ 6,533,566.43	\$ 704,192.00	\$ 6,328,826.18	\$ 3,535,288.00	\$ 2,793,538.18	\$ 3,535,288.00
Glenn	\$ 796,867.22	\$ 1,596,414.79	\$ 58,501.00	\$ 1,471,069.81	\$ 787,933.00	\$ 683,136.81	\$ 787,933.00
Humboldt	\$ 5,953,131.76	\$ 11,556,820.66	\$ 589,711.00	\$ 10,859,798.05	\$ 6,883,182.00	\$ 3,976,616.05	\$ 6,883,182.00
Imperial	\$ 5,882,342.33	\$ 11,357,559.09	\$ 772,088.00	\$ 10,807,193.65	\$ 6,394,422.00	\$ 4,412,771.65	\$ 6,394,422.00
Inyo	\$ 1,089,651.45	\$ 2,178,349.40	\$ 561,262.00	\$ 2,297,557.71	\$ 1,100,257.00	\$ 1,197,300.71	\$ 1,100,257.00
Kings	\$ 2,867,494.38	\$ 5,574,979.05	\$ 466,273.00	\$ 5,345,247.86	\$ 2,832,833.00	\$ 2,512,414.86	\$ 2,832,833.00
Lake	\$ 1,216,173.35	\$ 2,396,698.71	\$ 118,222.00	\$ 2,238,656.44	\$ 1,022,963.00	\$ 1,215,693.44	\$ 1,022,963.00
Lassen	\$ 828,324.09	\$ 1,701,571.17	\$ 119,938.00	\$ 1,589,899.96	\$ 687,113.00	\$ 902,786.96	\$ 687,113.00
Madera	\$ 2,867,082.86	\$ 5,518,584.64	\$ 81,788.00	\$ 5,080,473.30	\$ 2,882,147.00	\$ 2,198,326.30	\$ 2,882,147.00
Marin	\$ 6,749,311.37	\$ 13,257,176.34	\$ 1,196,515.00	\$ 12,721,801.62	\$ 7,725,909.00	\$ 4,995,892.62	\$ 7,725,909.00
Mariposa	\$ 458,245.53	\$ 923,901.30	\$ -	\$ 829,288.10	\$ 435,062.00	\$ 394,226.10	\$ 435,062.00
Mendocino	\$ 1,791,965.38	\$ 3,508,745.44	\$ 347,945.00	\$ 3,389,193.49	\$ 1,654,999.00	\$ 1,734,194.49	\$ 1,654,999.00
Modoc	\$ 504,167.07	\$ 1,016,216.93	\$ 70,462.00	\$ 954,507.60	\$ 469,034.00	\$ 485,473.60	\$ 469,034.00
Mono	\$ 648,386.30	\$ 1,375,753.76	\$ 409,928.00	\$ 1,460,440.84	\$ 369,309.00	\$ 1,091,131.84	\$ 369,309.00
Napa	\$ 2,820,930.46	\$ 5,543,778.11	\$ 546,957.00	\$ 5,346,999.34	\$ 3,062,967.00	\$ 2,284,032.34	\$ 3,062,967.00
Nevada	\$ 1,783,023.86	\$ 3,497,353.58	\$ 96,375.00	\$ 3,226,051.47	\$ 1,860,793.00	\$ 1,365,258.47	\$ 1,860,793.00
Plumas	\$ 781,484.92	\$ 1,511,395.52	\$ 66,295.00	\$ 1,415,505.26	\$ 905,192.00	\$ 510,313.26	\$ 905,192.00
San Benito	\$ 1,053,870.97	\$ 2,104,230.00	\$ -	\$ 1,894,860.58	\$ 1,086,011.00	\$ 808,849.58	\$ 1,086,011.00
Shasta	\$ 5,075,343.85	\$ 9,735,175.63	\$ 184,049.00	\$ 8,996,741.09	\$ 5,361,013.00	\$ 3,635,728.09	\$ 5,361,013.00
Sierra	\$ 163,707.66	\$ 331,472.92	\$ 7,330.00	\$ 301,506.35	\$ 135,888.00	\$ 165,618.35	\$ 135,888.00
Siskiyou	\$ 1,363,476.01	\$ 2,710,763.09	\$ 287,627.00	\$ 2,617,119.66	\$ 1,372,034.00	\$ 1,245,085.66	\$ 1,372,034.00
Solano	\$ 7,092,191.23	\$ 13,686,412.16	\$ 115,800.00	\$ 12,536,642.04	\$ 6,871,127.00	\$ 5,665,515.04	\$ 6,871,127.00
Sonoma	\$ 11,749,328.24	\$ 22,628,453.61	\$ 438,234.00	\$ 20,889,609.51	\$ 13,183,359.00	\$ 7,706,250.51	\$ 13,183,359.00
Sutter	\$ 2,736,054.40	\$ 5,416,501.09	\$ 674,240.00	\$ 5,296,077.30	\$ 2,996,118.00	\$ 2,299,959.30	\$ 2,996,118.00
Tehama	\$ 1,824,930.11	\$ 3,622,710.57	\$ 446,992.00	\$ 3,536,779.61	\$ 1,912,299.00	\$ 1,624,480.61	\$ 1,912,299.00
Trinity	\$ 726,217.72	\$ 1,482,631.64	\$ 292,662.00	\$ 1,500,906.82	\$ 611,497.00	\$ 889,409.82	\$ 611,497.00
Tuolumne	\$ 1,401,994.33	\$ 2,798,954.85	\$ 305,830.00	\$ 2,704,067.51	\$ 1,455,320.00	\$ 1,248,747.51	\$ 1,455,320.00
Yuba	\$ 2,309,018.27	\$ 4,420,878.48	\$ 187,701.00	\$ 4,150,558.65	\$ 2,395,580.00	\$ 1,754,978.65	\$ 2,395,580.00
Yolo	\$ 1,767,934.34	\$ 3,895,398.36	\$ 1,081,388.00	\$ 4,046,832.42	\$ 943,110.00	\$ 3,103,722.42	\$ 943,110.00
CMSP Board	\$ 60,683,454.21	\$ 182,712,703.67	\$ -	\$ 146,037,694.73	NA	NA	\$ 243,396,157.88
<b>SUBTOTAL</b>	<b>\$ 147,421,483.23</b>	<b>\$ 352,533,696.37</b>	<b>\$ 11,534,612.00</b>	<b>\$ 306,893,874.96</b>	<b>\$ 90,012,071.00</b>	<b>\$ 70,844,109.24</b>	<b>\$ 333,408,228.88</b>

Article 13 60/40	22-23 Realignment		Maintenance of Effort	FY 10-11 Total Realignment		MOE Capped at 14.6% of 10-11 Realignment	Redirection
	Sales Tax	VLF		Sales Tax	VLF		
Placer	\$ 1,786,459.22	\$ 3,755,023.92	\$ 368,490.00	\$ 1,223,351.24	\$ 3,475,002.90	\$ 368,490.00	\$ 3,545,983.88
Sacramento	\$ 16,295,865.18	\$ 34,993,961.18	\$ 7,128,508.00	\$ 11,073,547.81	\$ 32,428,453.58	\$ 6,351,292.20	\$ 34,584,671.14
Santa Barbara	\$ 4,033,082.22	\$ 9,046,873.66	\$ 3,794,166.00	\$ 2,695,565.51	\$ 8,405,681.53	\$ 1,620,782.07	\$ 8,820,442.77
Stanislaus	\$ 5,543,963.13	\$ 12,006,448.48	\$ 3,510,803.00	\$ 3,756,009.76	\$ 11,132,596.16	\$ 2,173,736.46	\$ 11,834,488.84
<b>SUBTOTAL</b>	<b>\$ 27,659,369.75</b>	<b>\$ 59,802,307.24</b>	<b>\$ 14,801,967.00</b>	<b>\$ 18,748,474.32</b>	<b>\$ 55,441,734.17</b>	<b>\$ 10,514,300.74</b>	<b>\$ 58,785,586.64</b>

Article 13 Formula	22-23 Realignment		Health Realignment Indigent Care %	Total Revenue FY 22-23	Total Costs FY 22-23	Savings	Calculated Redirection
	Sales Tax	VLF					
Fresno*	\$ 12,118,185.84	\$ 26,534,180.79	44.38%				\$ 17,153,920.31
Merced*	\$ 2,930,302.89	\$ 6,011,005.86	43.41%				\$ 3,881,422.13
Orange*	\$ 29,557,977.55	\$ 58,035,692.26	52.02%				\$ 45,566,227.04
San Diego*	\$ 35,107,213.67	\$ 64,821,427.31	49.33%				\$ 49,294,798.59
San Luis Obispo*	\$ 2,202,261.53	\$ 4,909,292.06	44.45%				\$ 3,161,085.57
Santa Cruz*	\$ 2,692,761.51	\$ 6,129,760.04	46.61%				\$ 4,112,177.30
Tulare	\$ 4,226,915.39	\$ 10,728,078.01	47.88%	\$ 9,455,788.94	\$ 840,887.10	\$ 8,614,901.84	\$ 6,891,921.47
<b>SUBTOTAL</b>	<b>\$ 88,835,618.38</b>	<b>\$ 177,169,436.33</b>		<b>\$ 9,455,788.94</b>	<b>\$ 840,887.10</b>	<b>\$ 8,614,901.84</b>	<b>\$ 130,061,552.41</b>

\*Opted for Historical Percentage

DPH	22-23 Realignment		Health Realignment Indigent Care %	Total Revenue FY 22-23	Total Costs FY 22-23	Savings	Calculated Redirection
	Sales Tax	VLF					
Alameda	\$ 18,875,414.92	\$ 42,709,080.53	81.68%	\$ 607,305,102.89	\$ 681,318,404.49	\$ (74,013,301.60)	\$ -
Contra Costa	\$ 9,675,783.79	\$ 21,697,875.11	80.50%	\$ 499,658,602.34	\$ 597,072,034.12	\$ (97,413,431.78)	\$ -
Kern	\$ 8,211,380.24	\$ 18,066,381.59	66.26%	\$ 256,753,308.57	\$ 222,725,908.62	\$ 34,027,399.96	\$ 17,411,644.99
Los Angeles	\$ 150,172,801.27	\$ 341,842,797.91	83.00%	\$ 5,027,984,711.08	\$ 5,919,514,000.00	\$ (891,529,288.92)	\$ -
Monterey	\$ 3,908,414.27	\$ 8,791,096.79	51.19%	\$ 224,648,471.65	\$ 19,149,977.70	\$ 205,498,493.94	\$ 6,500,879.71
Riverside	\$ 15,602,782.22	\$ 33,780,242.80	84.44%	\$ 449,750,087.95	\$ 465,051,149.30	\$ (15,301,061.35)	\$ -
San Bernardino	\$ 18,538,612.84	\$ 37,675,204.71	58.54%	\$ 467,136,924.69	\$ 420,833,838.63	\$ 46,303,086.06	\$ 32,907,568.79
San Francisco	\$ 28,646,583.29	\$ 65,197,236.67	57.36%	\$ 644,999,791.50	\$ 808,994,744.86	\$ (163,994,953.36)	\$ -
San Joaquin	\$ 7,142,717.05	\$ 14,811,414.31	96.74%	\$ 232,687,281.61	\$ 276,155,008.33	\$ (43,467,726.72)	\$ -
San Mateo	\$ 6,728,782.01	\$ 15,142,684.37	80.82%	\$ 212,970,281.62	\$ 246,375,522.11	\$ (33,405,240.49)	\$ -
Santa Clara	\$ 16,286,720.87	\$ 36,413,347.08	85.00%	\$ 1,098,655,866.30	\$ 1,285,167,844.09	\$ (186,511,977.79)	\$ -
Ventura	\$ 6,384,541.12	\$ 14,151,190.25	80.62%	\$ 307,225,262.29	\$ 252,693,177.55	\$ 54,532,084.74	\$ 16,555,906.63
<b>SUBTOTAL</b>	<b>\$ 290,174,533.89</b>	<b>\$ 650,278,552.11</b>		<b>\$ 10,029,775,692.49</b>	<b>\$ 11,195,051,609.79</b>	<b>\$ (1,165,275,917.30)</b>	<b>\$ 73,376,000.12</b>

**22-23 Interim Redirection \$ 595,631,368.03**