

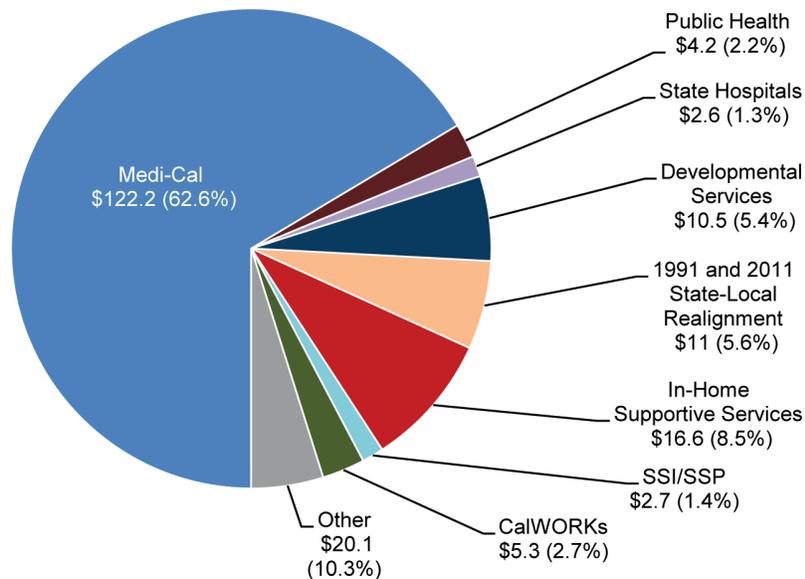
# HEALTH AND HUMAN SERVICES

The Health and Human Services Agency oversees departments and state entities that provide health and social services to California's most vulnerable and at-risk residents. Along with the Governor's Office of Emergency Services, the Agency is leading the response to the COVID-19 Pandemic. The Budget includes \$195.1 billion (\$64.3 billion General Fund and \$130.8 billion other funds) for all health and human services programs. This does not include all pandemic response costs. (See COVID-19 Pandemic Response Chapter for more details.)

The COVID-19 Pandemic is having a significant impact on the programs under the Health and Human Services Agency. The Budget assumes that the COVID-19 Pandemic emergency response continues at some level until December 2021. This includes the enhanced Federal Medical Assistance Percentage (FMAP) provided to support the state's Medi-Cal program.

To help address projected structural deficits, the 2020 Budget Act assumed the suspension of various health and human services investments effective July 1, 2021 and December 31, 2021. Given the improved revenue outlook in the short term, the Budget proposes to delay these suspensions by one year. These suspensions include, but are not limited to, Proposition 56 supplemental payment increases, reversing the 7-percent reduction in In-Home Supportive Services hours, and Developmental Services payment increases.

**Health and Human Services Proposed 2021-22 Funding<sup>1/</sup>**  
**All Funds**  
 (Dollars in Billions)



<sup>1/</sup> Totals \$195.1 billion for support, local assistance, and capital outlay. This figure includes reimbursements of \$17.9 billion and excludes \$305,000 in Proposition 98 funding in the Department of Developmental Services budget and county funds that do not flow through the state budget.  
 Note: Numbers may not add due to rounding.

**Major Health and Human Services Program Caseloads**

	2020-21 Revised	2021-22 Estimate	Change
Medi-Cal	13,970,800	15,603,800	1,633,000
California Children's Services (CCS) <sup>1/</sup>	14,571	14,571	0
CalWORKs	405,317	482,436	77,119
CalFresh	2,167,167	2,559,491	392,324
SSI/SSP (support for aged, blind, and disabled)	1,201,565	1,188,055	-13,510
Child Welfare Services <sup>2/</sup>	111,204	110,817	-387
Foster Care	56,923	57,899	976
Adoption Assistance	88,849	89,239	390
In-Home Supportive Services	570,411	592,829	22,418
Regional Centers	357,819	386,431	28,612
State Hospitals <sup>3/</sup>	6,162	6,361	199
Developmental Centers <sup>4/</sup>	322	322	0
Vocational Rehabilitation	108,000	108,000	0

<sup>1/</sup> Represents unduplicated quarterly caseload in the CCS Program. Does not include Medi-Cal CCS beneficiaries.  
<sup>2/</sup> Represents Emergency Response, Family Maintenance, Family Reunification, and Permanent Placement service areas on a monthly basis. Due to transfers between each service area, cases may be reflected in more than one service area.  
<sup>3/</sup> Represents the year-end population at State Hospitals, county Jail-Based Competency Treatment programs, and Kern Admission, Evaluation and Stabilization center.  
<sup>4/</sup> Represents the year-end population.

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## **MAKING HEALTH CARE MORE AFFORDABLE**

More than ever, the COVID-19 Pandemic has underscored the need to expand coverage and increase affordability of health care for all. The state has made significant investments in recent years to expand coverage and increase the affordability of health care, including:

- Augmenting premium assistance for Covered California enrollees, making California the first state in the nation to provide additional state premium assistance for the middle class;
- Instituting a state individual mandate to stabilize the health insurance market;
- Expanding eligibility for no-cost Medi-Cal for persons aged 65 and older and persons with disabilities up to 138 percent of the federal poverty level;
- Extending Medi-Cal to income-eligible young adults regardless of immigration status;
- Addressing the high costs of prescription drugs;
- Restoring optional benefits (most were preventative services) and extending full-scope Medi-Cal coverage to new mothers with a maternal mental health diagnosis; and
- Expanding preventative services with a specific focus on screening for adverse childhood experiences.

These improvements are providing more Californians with coverage and strengthening the health care system during the COVID-19 Pandemic. Keeping people covered and healthy slows the growth of the average Californian's personal health care expenses and encourages the provision of preventative and primary care services.

The Budget takes additional steps to make health care more affordable, including establishing an Office of Health Care Affordability and a system to better use health data to improve health outcomes and address health equity.

### **OFFICE OF HEALTH CARE AFFORDABILITY**

Improving the affordability of health coverage will benefit millions of working Californians, and this endeavor must be accompanied by efforts to address underlying cost drivers. The Budget builds on the Health Care Payment Database, which enables

the Office of Statewide Health Planning and Development to collect and analyze granular utilization and cost data.

Given the size and complexity of California's health care system, the Budget includes \$11.2 million in 2021-22, \$24.5 million in 2022-23, and \$27.3 million in 2023-24 and ongoing from the Health Data and Planning Fund to establish the Office of Health Care Affordability.

This Office will be charged with increasing transparency on cost and quality, developing cost targets for the health care industry, enforcing compliance through financial penalties, and filling gaps in market oversight of transactions that may adversely impact market competition, prices, quality, access, and the total cost of care. In addition to lowering costs, the Office will promote health care workforce stability and training needs, report quality performance and equity metrics on the entire health care system, advance payment models that reward high-quality, cost-efficient care, and promote investments in primary care and behavioral health.

The Office of Statewide Health Planning and Development's programs for data assets and health care workforce development and the Office of Health Care Affordability's focus on health care cost containment present an opportunity for the Administration to better align these priorities. The Administration will submit a proposal in the spring recasting the Office of Statewide Health Planning and Development and the proposed Office of Health Care Affordability under the umbrella of a Department of Health Care Affordability and Infrastructure. The Department will be the dedicated entity within state government with subject matter expertise on health care affordability and infrastructure.

### **UTILIZING HEALTH INFORMATION EXCHANGE**

It is imperative that the state expand the use of clinical and administrative data to better understand the health and social needs of individual patients in order to achieve high-quality, efficient, safe, and timely service delivery while improving outcomes. These goals can be accomplished by building and supporting the infrastructure and information systems to facilitate secure and appropriate exchange of electronic health information among health care providers.

Despite significant federal investment over the past 10 years for adoption of electronic health records and creation of health information exchanges, most patients' medical information, including clinical histories, medications, and test results, is stored on paper or across hundreds of disparate electronic health record systems. The goals of improved

health outcomes and affordability cannot be achieved without unified patient health records and digital infrastructure to support a more integrated provision of health and human services.

To further build on the promise of health information exchange, the Administration is interested in accelerating the utilization and integration of health information exchanges as part of a network that receives and integrates health data for all Californians. The building and operation of the network of exchanges will leverage existing investments in health information exchange and look for additional federal funding in alignment with federal interoperability rules. To do this the state must:

- Enable the right access to health information at the right time resulting in improved health and outcomes for all Californians;
- Identify and overcome the barriers to exchanging health information between public programs, as well as with California providers and consumers; and
- Engage consumers and their providers in managing medical, behavioral and social services through appropriate, streamlined access to electronic health information.

The Administration envisions an environment where health plans, hospitals, medical groups, testing laboratories, and nursing facilities—at a minimum, as a condition of participating in state health programs such as Medi-Cal, Covered California and CalPERS—contribute to, access, exchange, and make available data through the network of health information exchanges for every person.

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## IMPROVING HEALTH EQUITY

The COVID-19 Pandemic has exposed long-standing health inequities seen among people of color. The pandemic has also highlighted systemic racism and discrimination that has created social, economic, and health inequities contributing to disproportionately higher infection and mortality rates for both chronic and infectious diseases; and COVID-19 incidence has been disproportionate in Black, Latinx, and Pacific Islander populations. The higher prevalence of underlying health conditions such as diabetes, obesity, and hypertension among communities of color increases the likelihood of more severe outcomes.

California was the first state in the nation to implement a health equity metric as part of the Blueprint for a Safer Economy framework. The equity metric requires counties to demonstrate an improvement in COVID-19 test positivity rates in neighborhoods facing

the most severe impacts. Addressing differential infection rates in disadvantaged communities is critical to safely reopening California's economy.

Health equity has been a key focus of the Administration and the COVID-19 Pandemic has accelerated the need for additional action. The Budget builds on these efforts to address the need for a more culturally and linguistically competent and responsive health and social services system. The Budget proposes the following initiatives expressly addressing health inequities:

- **Health Plan Equity and Quality Standards**—This spring, the Administration will propose an investment for the Department of Managed Health Care, in collaboration with other entities, to establish a priority set of standard quality measures for full service and behavioral health plans, including quality and health equity benchmark standards, and to take enforcement actions against non-compliant health plans.
- **Improving Equity Through Managed Care Plan Reprocurements**—As Medi-Cal and Covered California managed care plan contracts come up for renewal, the Administration will work to include a focus on health disparities and cultural and language competency through health plan contractual language with a framework similar to the Blueprint equity metric.
- **Analysis of COVID-19 Impacts**—The Budget includes \$1.7 million General Fund in 2021-22 and \$154,000 General Fund in 2022-23 and ongoing for the California Health and Human Services Agency to conduct an analysis of the intersection of COVID-19, health disparities, and health equity to help inform any future response.
- **Community Navigators**—The Budget includes \$5.3 million (\$3.2 million General Fund) for the Department of Developmental Services to contract with family resource centers to implement a navigator model statewide. The navigator model would utilize parents of individuals in the regional center system to provide education on resources, advocacy, and mentorship to other parents of individuals being served by the regional center system. The purpose of navigators is to increase service authorization and utilization in diverse communities, furthering health equity within the developmental services system. Funding includes resources for a one-time independent evaluation focused on improving the effectiveness of existing disparity projects.

Addressing health disparities created by systemic racism and discrimination are also central to many of the other budget proposals described later in this Chapter. In addition, the Budget includes \$4.1 million (\$3.7 million General Fund) in 2021-22 and

\$2.1 million (\$1.6 million General Fund) ongoing for the Health and Human Services Agency to further reorient the administration of its programs through the use of data and the development of an equity dashboard.

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## ADDRESSING AGING IN CALIFORNIA

In June 2019, the Governor issued an executive order calling for a 10-year Master Plan for Aging to support aging well across the lifespan. California's 65 and over population is projected to grow to 8.5 million by 2030, nearly doubling from 2010 and increasing from 11.5 percent of the population to 20 percent. The Governor also established a Task Force on Alzheimer's Prevention and Preparedness, chaired by Former First Lady Maria Shriver, to tackle the policy and health challenges faced by the growing number of people living with dementia—more than 690,000 Californians have a diagnosis of Alzheimer's and more than 1.6 million people are responsible for providing care.

Nearly 80 percent of all Californians who have died from COVID-19 in 2020 were age 65 or older. Moreover, nearly 40 percent of all Californians who died from COVID-19 in 2020 were living in nursing homes; early data suggest people with dementia have experienced especially high rates of cases and death. Millions more older and at-risk adults remained home to stay healthy and, as a result, faced isolation and interruption to essential activities, including caregiving. Black, Latinx, and Pacific Islander older Californians have been disproportionately impacted by COVID-19.

The Budget recognizes the extraordinary challenges older Californians and their families face during the COVID-19 Pandemic, and proposes a range of investments to increase opportunities for Californians to age well over the next decade, including developing new strategies with the federal government to leverage Medicare to provide additional long-term services and supports.

The Governor will appoint a Senior Advisor on Aging, Disability and Alzheimer's to advance cross-Cabinet initiatives and partnerships between government, the private sector, and philanthropy, such as closing the digital divide, transportation options beyond driving, and caregiving workforce solutions, for Californians of all ages. The Budget includes a \$5 million General Fund placeholder for spring proposals to further implement the Master Plan for Aging.

To drive innovation in top priorities identified in the Master Plan for Aging, the Budget makes the following targeted investments:

- Medicare Innovation and Integration—The Administration plans to submit a proposal in the spring for state operations to establish a new Office of Medicare Innovation and Integration that will explore strategies and models to strengthen and expand low- and middle-income Californians' access to high-quality services and supports, while developing new partnerships with the federal government.
- Expanded Facilities to Support Housing—The Budget includes \$250 million one-time General Fund for the Department of Social Services to acquire and rehabilitate Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE) with a specific focus on preserving and expanding housing for low-income seniors who are homeless or at risk of becoming homeless. See the Housing and Homelessness Chapter for more information.
- Aging and Disability Resource Connections (ADRC)—The Budget delays suspension of and expands ADRCs, or “No Wrong Door,” networks currently serving approximately one-third of the state to serving the entire state. These centers provide people with “one stop” telephone and online access to information and assistance with aging, disability, and Alzheimer’s, in multiple languages and with cultural competencies. The Budget provides \$7.5 million in 2021-22, half-year funding of \$5 million in 2022-23, and is subject to suspension on December 31, 2022.
- IHSS COVID-19 Back-up Provider System—The Budget includes \$5.3 million one-time General Fund in 2021-22 to extend the back-up provider system and back-up provider wage differential to avoid disruptions to caregiving until December 2021. The Administration will evaluate the need of an IHSS provider backup system for severely impaired individuals as the state recovers from the effects of the COVID-19 Pandemic.
- Increased Geriatric Care Workforce—The Budget includes \$3 million one-time General Fund for the Office of Statewide Health Planning and Development to grow and diversify the pipeline for the geriatric medicine workforce, as the increasing and diversifying numbers of older adults living longer lives require developing a larger and more diverse pool of health care workers with experience in geriatric medicine.

### **EQUITABLE PATH FORWARD ON ALZHEIMER’S**

The Budget proposes a comprehensive and coordinated approach to Alzheimer’s with an emphasis on communities of color and on women, who are disproportionately susceptible to the disease and the primary providers of caregiving. Investments to be administered by the Department of Public Health are five-pronged: \$5 million one-time General Fund for a public education campaign on brain health; \$4 million one-time

General Fund for new training and certification for caregivers; \$2 million one-time General Fund for expanded training in standards of care for health care providers; \$2 million one-time General Fund for grants to communities to become dementia-friendly; and \$4 million one-time General Fund for research to strengthen California's leadership on disparities and equity in Alzheimer's.

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## **ADDRESSING BEHAVIORAL HEALTH**

The COVID-19 Pandemic is having a myriad of impacts on individuals and families. Stay at home orders, which have been necessary to save lives, have also increased isolation for seniors. Families have also struggled with schools closed to in-person instruction and children without many normal physical and social outlets. In addition, the COVID-19 Pandemic induced recession has left many households with increased worry about how they will maintain food and shelter. With this backdrop, the Administration is focused on improving outcomes and expanding access to preventative services through county behavioral health departments and schools. These efforts build on resources provided in the 2020 Budget Act for the Department of Managed Health Care's behavioral health-focused investigations and enforcement of commercial health plan compliance with parity laws.

### **STUDENT MENTAL HEALTH**

COVID-19 stay-at-home orders and school closures have impacted students and caused additional stress and anxiety. Early identification and treatment through school-based, or school-linked, services can reduce emergency room visits, crisis situations, inpatient stays, placement in high-cost special education settings, and out of home placement.

The Budget includes one-time \$400 million (\$200 million General Fund), available over multiple years, for the Department of Health Care Services to implement an incentive program through Medi-Cal managed care plans, in coordination with county behavioral health departments and schools. This innovative effort seeks to build infrastructure, partnerships, and capacity statewide to increase the number of students receiving preventive and early intervention behavioral health services from schools, providers in schools, or school-based health centers.

Additionally, the Budget includes \$25 million one-time Mental Health Services Fund, available over five years, for the Mental Health Services Oversight and Accountability Commission to augment the Mental Health Student Services Act Partnership Grant

Program, which funds partnerships between county mental health plans and school districts.

Further, the Budget includes \$25 million ongoing Proposition 98 General Fund to fund innovative partnerships with county behavioral health departments to support student mental health services. This funding would be provided to local educational agencies as a match to funding in county Mental Health Services Act (MHSA) spending plans dedicated to the mental health needs of students. See the K-12 Education Chapter for additional information.

### **STRENGTHENING COUNTY BEHAVIORAL HEALTH**

County behavioral health programs are supported by a combination of 2011 Realignment, MHSA, and other county funding sources, and are responsible for organizing and overseeing local mental health and substance use disorder programs, including specialty mental health for Medi-Cal and uninsured patients. Counties work with Medi-Cal managed care plans to deliver mild and moderate services and provide specialty mental health services not included in managed care plans. The Budget includes several different efforts to improve and add needed infrastructure to county behavioral health programs, including support for individuals acutely impacted by mental illness.

The COVID-19 Pandemic has necessitated changes in the demand for behavioral health services and the delivery of these benefits. Therefore, the Budget proposes statutory changes to extend flexibilities in county spending of local MHSA funds that were included in the 2020 Budget Act in response to the COVID-19 Pandemic for an additional fiscal year. The statutory changes authorize counties to spend down their local MHSA prudent reserves, as opposed to requesting county-by-county authority from the state. Further, the changes authorize counties to spend funds within the Community Services and Supports program component regardless of category restrictions to meet local needs. Lastly, the changes authorize counties to use their existing approved MHSA spending plans, if a new plan is delayed because of COVID-19-related reasons.

As discussed later in this chapter, the Administration is proposing the California Advancing and Innovating Medi-Cal (CalAIM) Initiative to make Medi-Cal, including behavioral health benefits, more consistent and seamless, by among other things, revising behavioral health medical necessity, implementing payment reform, and working toward administrative integration.

The Budget also includes \$750 million one-time General Fund for competitive grants to counties to acquire and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. These community resources are needed to address individuals experiencing a crisis and are a critical component of an overarching framework to solve and not just mitigate homelessness. The Administration is also exploring opportunities to repurpose relinquished adult jail bond financing to add to this effort. See the Criminal Justice Chapter for more information.

The Budget also proposes to greatly expand the community treatment programs for the felony incompetent to stand trial population. This includes a demonstration project that will streamline services to drive improved outcomes for individuals with serious mental illness and reduce recidivism in this population.

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## **DEPARTMENT OF HEALTH CARE SERVICES**

Medi-Cal, California's Medicaid program, is administered by the Department of Health Care Services. Medi-Cal is a public health care program that provides comprehensive health care services at no or low cost for low-income individuals. The federal government mandates that basic services be included in the program, including: physician services; family nurse practitioner services; nursing facility services; hospital inpatient and outpatient services; laboratory and radiology services; family planning; behavioral health; and early and periodic screening, diagnosis, and treatment services for children. In addition to these mandatory services, the state provides optional benefits such as outpatient drugs, adult dental services, home and community-based services, and medical equipment. The Department also operates the California Children's Services and the Primary and Rural Health programs, and oversees county-operated community mental health and substance use disorder programs.

The Medi-Cal budget is \$117.9 billion (\$22.5 billion General Fund) in 2020-21 and \$122.2 billion (\$28.4 billion General Fund) in 2021-22. The Budget assumes that caseload will increase approximately 10.1 percent from 2019-20 to 2020-21 and increase approximately 11.7 percent from 2020-21 to 2021-22. Medi-Cal is projected to cover approximately 15.6 million Californians, nearly 40 percent of the state's population, in 2021-22.

### **CALIFORNIA ADVANCING AND INNOVATING MEDI-CAL (CALAIM)**

Medi-Cal has significantly expanded and changed over the last ten years, in large part due to California's implementation of the federal Patient Protection and Affordable Care Act. Since implementing the Act, the Department has undertaken many initiatives

and embarked on innovative demonstration projects to improve the beneficiary experience.

Today, some Medi-Cal enrollees may need to access six or more separate delivery systems, including managed care, fee-for-service, mental health, substance use disorder, dental, developmental, and/or In-Home Supportive Services. Fragmentation of service delivery increases the need for care coordination, increases complexity, and results in greater health inequities. To improve clinical outcomes and assist beneficiaries with navigating this complex system, the Department is seeking to better coordinate and integrate these delivery systems to achieve more equal health outcomes for all across the entire continuum of care.

To this end, the Department is launching CalAIM, which builds upon the critical successes of waiver demonstration programs such as Whole Person Care, the Coordinated Care Initiative, Health Homes, and public hospital system delivery transformation. CalAIM proposes to provide a wider array of services and supports for patients with complex and high needs.

CalAIM has three primary goals:

- Identify and manage member risk and need through whole person care approaches and addressing social determinants of health;
- Make Medi-Cal more consistent and seamless by reducing complexity and increasing flexibility; and
- Improve quality outcomes, reduce health disparities, and drive delivery system transformation and innovation through value-based initiatives, modernization of systems, and payment reform.

Transformation of the delivery system is necessary to improve outcomes for Medi-Cal beneficiaries as well as to achieve long-term cost avoidance. The reforms proposed through CalAIM represent a comprehensive approach to achieving these goals. These changes will position the state to better connect individuals—including children and youth in foster care, individuals experiencing homelessness, individuals with mental health challenges and substance use disorders, and individuals involved in the justice system—to the services they need. Attaining these goals will have significant impacts on individuals' health and quality of life and through iterative system transformation, will ultimately reduce healthcare costs over time.

To implement CalAIM effective January 1, 2022, the Budget includes \$1.1 billion (\$531.9 million General Fund) in 2021-22, growing to \$1.5 billion (\$755.5 million General Fund) in 2023-24.

This investment will provide for enhanced care management and in lieu of services, necessary infrastructure to expand whole person care approaches statewide, and build upon existing dental initiatives. Beginning in 2024-25, the Administration proposes to phase out infrastructure funding, resulting in ongoing costs of about \$846.4 million (\$423 million General Fund) per year.

This effort will be complemented by \$750 million one-time General Fund for competitive grants to counties to acquire and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. The Administration is also exploring opportunities to repurpose relinquished adult jail bond financing to add to these efforts. See the Criminal Justice Chapter for additional details.

#### Other Significant Adjustments:

- 2020-21 Budget—The Budget reflects lower expenditures in the Medi-Cal program of approximately \$1.2 billion General Fund in 2020-21 compared with the 2020 Budget Act. The decrease is due primarily to reduced COVID-19 caseload costs, additional enhanced Federal Medical Assistance Percentage (FMAP), reduced costs associated with the state-only claiming adjustment, and additional Hospital Quality Assurance Fee (HQAF) savings. These reduced General Fund costs are partially offset by a one-time retroactive correction to managed care rates associated with dual-eligible beneficiaries and an increase in deferred federal fund claims.
- COVID-19 Medi-Cal Caseload Impacts—The Budget projects an average monthly caseload of 14 million beneficiaries in 2020-21 and 15.6 million beneficiaries in 2021-22, and includes \$5.4 billion (\$1.7 billion General Fund) in 2020-21 and \$13.5 billion (\$4.3 billion General Fund) in 2021-22 for increased caseload attributable to the COVID-19 Pandemic. Caseload is projected to peak at 16.1 million beneficiaries in January 2022, driven by the federal continuous coverage requirement related to the COVID-19 Public Health Emergency and the COVID-19 induced recession.
- Additional COVID-19 Impacts—The Budget includes net costs of \$1.9 billion total funds (\$2 billion General Fund savings) for COVID-19 impacts, including enhanced FMAP savings, vaccine administration costs, and federal waiver flexibilities. The

Budget assumes enhanced FMAP savings and flexibilities will remain in effect through the last quarter of calendar year 2021.

- **State-Only Claiming Adjustment**—The Budget includes \$249.8 million General Fund in 2020-21 and \$279.1 million General Fund in 2021-22 for retroactive and ongoing dental, pharmacy, and managed care, targeted case management, and behavioral health costs associated with state-only populations.
- **Medi-Cal Rx**—The Budget includes costs of \$219.9 million (\$70.2 million General Fund) in 2020-21 and savings of \$612.7 million (\$238.2 million General Fund) in 2021-22 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service, effective April 1, 2021. Full annual savings are projected to be approximately \$1.2 billion (\$419 million General Fund) by 2023-24.
- **Reinstatement of Adult Acetaminophen and Cough/Cold Products**—The Budget reflects annual savings of \$21 million (\$7.8 million General Fund) to reinstate over-the-counter adult acetaminophen and cough/cold products as covered Medi-Cal benefits effective July 1, 2021. Coverage of these products was temporarily reinstated effective March 1, 2020, as part of the state's federally approved COVID-19 waiver flexibilities.
- **Medi-Cal Coverage of Continuous Glucose Monitors**—The Budget includes \$12 million (\$4.2 million General Fund) in 2021-22 and ongoing to add continuous glucose monitors as a covered Medi-Cal benefit for adult individuals with type 1 diabetes, effective January 1, 2022. This proposal increases health equity.
- **Telehealth Flexibilities in Medi-Cal**—The Budget includes \$94.8 million (\$34 million General Fund) ongoing to expand and make permanent certain telehealth flexibilities authorized during COVID-19 for Medi-Cal providers, and to add remote patient monitoring as a new covered benefit, effective July 1, 2021. This effort will expand access to preventative services and improve health outcomes, thereby increasing health equity.
- **County Administration**—The Budget includes an ongoing increase of \$65.4 million (\$22.9 million General Fund) in 2021-22 for county eligibility determination activities based on growth in the California Consumer Price Index.

### **PROPOSITION 56 SUPPLEMENTAL PAYMENT PROGRAMS**

Given an improved revenue outlook in the short term, the Budget delays the suspension of Proposition 56 programs by 12 months and includes a total of \$3.2 billion (\$275.3 million General Fund, \$717.8 million Proposition 56 Fund, and \$2.2 billion federal

funds) for these programs in 2021-22. (The Budget would have otherwise included \$759.9 million General Fund savings if the suspensions were not delayed.) The General Fund partially supports supplemental payment programs at current levels now that program costs exceed declining tobacco tax revenues, due primarily to the assumed implementation of the ban on flavored tobacco and vaping products pursuant to Chapter 34, Statutes of 2020 (SB 793).

The Budget assumes Proposition 56 suspensions effective July 1, 2022, except for supplemental payments to intermediate care facilities for the developmentally disabled, freestanding pediatric subacute facilities, and Community Based Adult Services, which will be suspended December 31, 2022, due to the managed care calendar rate year. Payments for Women's Health, Family Planning, and the Loan Repayment Program are exempt from suspension. The Budget also proposes to exempt supplemental payments for the Behavioral Health Integration program, the AIDS waiver, Home Health, and Pediatric Day Health from suspension because they would not be deemed eligible by the federal government.

### **OTHER SUSPENDED PROGRAMS**

Given an improved revenue outlook in the short term, the Budget proposes to delay suspensions by one year for the following:

- **Medi-Cal Post-Partum Eligibility Extension**—The Budget delays the suspension of Medi-Cal post-partum extended eligibility by 12 months to December 31, 2022, for a cost of \$27.1 million General Fund in 2021-22.
- **Medi-Cal Adult Optional Benefits Extension**—The Budget includes \$47 million (\$15.6 million General Fund) in 2021-22 to delay by 12 months the suspension of audiology and speech therapy services, incontinence creams and washes, optician and optical lab services, and podiatric services to December 31, 2022.

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## **DEPARTMENT OF SOCIAL SERVICES**

The Department of Social Services (DSS) serves, aids, and protects needy and vulnerable children and adults in ways that strengthen and preserve families, encourage personal responsibility, and foster independence. The Department's major programs include CalWORKs, CalFresh, In-Home Supportive Services (IHSS), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Child Welfare Services, Community Care Licensing, and Disability Determination. Beginning July 1, 2021, child care and nutrition programs will transition from the California

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Department of Education (CDE) to DSS. The Budget includes \$36.2 billion (\$14.4 billion General Fund) for DSS programs in 2021-22.

Significant Adjustments:

- **Food Banks**—The Budget includes \$30 million one-time General Fund above program base funding levels for the Department of Social Services to fund existing Emergency Food Assistance Program providers, food banks, tribes, and tribal organizations to mitigate increases in food needs among low-income and food-insecure populations. The recently enacted federal COVID-19 response and relief bill includes increased benefits for CalFresh and the Emergency Food Assistance Program.
- **Supplemental Nutrition Benefit and Transitional Nutrition Benefit Programs Adjustment**—The Budget includes \$22.3 million ongoing General Fund to reflect adjusted benefit amounts mitigating the effects of the elimination of the SSI Cash-Out policy.
- **California Food Assistance Program (CFAP) Emergency Allotments**—The Budget includes \$11.4 million one-time General Fund for CFAP households to receive the maximum allowable allotment based on household size.

### **CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS**

The CalWORKs program, California's version of the federal Temporary Assistance for Needy Families (TANF) program, 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.

Total TANF expenditures are \$9.3 billion (state, local, and federal funds) in 2021-22. The amount budgeted includes \$7.4 billion for CalWORKs program expenditures and \$1.9 billion in other programs. Other programs include expenditures for Child Care, Child Welfare Services, Foster Care, Department of Developmental Services programs, the Statewide Automated Welfare System, Work Incentive Nutritional Supplement, California Community Colleges Child Care and Education Services, Cal Grants, and the Department of Child Support Services.

The average monthly CalWORKs caseload is estimated to be 482,436 families in 2021-22, a 19 percent increase from the revised 2020-21 projection. Prior to COVID-19, the

CalWORKs caseload had decreased every year since 2010-11. Due to the COVID-19 Pandemic's impact on the economy and initial spikes in caseload in the immediate months following the pandemic, the CalWORKs caseload was projected to grow significantly at the 2020 Budget Act. This caseload did not materialize likely due to expanded and extended unemployment insurance benefits and direct stimulus payments. The Budget includes revised caseload projections, driven by updated assumptions and the uncertainty surrounding further federal relief and duration of the public health emergency.

Significant Adjustments:

- **CalWORKs Time on Aid Exemption**—The Budget includes \$46.1 million one-time General Fund (TANF) block grant funding to temporarily suspend any month in which CalWORKs aid or services are received from counting towards the CalWORKs 48-month time limit based on a good cause exemption due to the COVID-19 Pandemic.
- **CalWORKs Grant Increase**—The Budget reflects a 1.5-percent increase to CalWORKs Maximum Aid Payment levels, effective October 1, 2021, which is estimated to cost \$50.1 million in 2021-22. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccounts of the Local Revenue Fund.

## **IN-HOME SUPPORTIVE SERVICES**

The IHSS program provides domestic and related services such as housework, transportation, and personal care services to eligible low-income aged, blind, and disabled persons. These services are provided to assist individuals to remain safely in their homes and prevent more costly institutionalization. The Budget includes \$16.5 billion (\$5.3 billion General Fund) for the IHSS program in 2021-22, a 10-percent increase in General Fund costs over the revised 2020-21 level. Average monthly caseload in this program is estimated to be 593,000 recipients in 2021-22, a 3.9-percent increase from the revised 2020-21 projection.

Significant Adjustments:

- **IHSS Service Hours Restoration**—The Budget includes \$449.8 million General Fund in 2021-22 and \$242.6 million General Fund in 2022-23 to reflect a delay in suspending the 7-percent across-the-board reduction to IHSS service hours. The increased funding for IHSS service hours is now proposed to be suspended on December 31, 2022. The suspension will be lifted if the Administration determines

through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

- **Minimum Wage**—The Budget reflects \$1.2 billion (\$557.6 million General Fund) to support projected minimum wage increases to \$14 per hour on January 1, 2021 and \$15 per hour on January 1, 2022.
- **IHSS County Administration**—The Budget no longer assumes savings to hold county administration funding at the 2019-20 level, resulting in county administration costs being updated for 2021-22 to include \$17.8 million General Fund to reflect caseload and Consumer Price Index adjustments.

### **SUPPLEMENTAL SECURITY INCOME/STATE SUPPLEMENTARY PAYMENT (SSI/SSP)**

The federal SSI program provides a monthly cash benefit to eligible aged, blind, and disabled persons who meet the program's income and resource requirements. In California, the SSI payment is augmented with an SSP grant. These cash grants assist recipients with basic needs and living expenses. The federal Social Security Administration administers the SSI/SSP program, making eligibility determinations, computing grants, and issuing combined monthly checks to recipients. The state-only Cash Assistance Program for Immigrants (CAPI) provides monthly cash benefits to aged, blind, and disabled legal noncitizens who are ineligible for SSI/SSP due solely to their immigration status.

The Budget includes \$2.69 billion General Fund in 2021-22 for the SSI/SSP program. This represents a 0.6-percent decrease from the revised 2020-21 level. The average monthly caseload in this program is estimated to be 1.18 million recipients in 2021-22, a 1.1-percent decrease from the 2020-21 projection. The SSI/SSP caseload consists of 69.4 percent persons with disabilities, 29.3 percent persons who are aged, and 1.4 percent blind.

Effective January 2021, the maximum SSI/SSP grant levels are \$955 per month for individuals and \$1,598 per month for couples. The projected growth in the Consumer Price Index is 2.2 percent for 2022. As a result, the maximum SSI/SSP monthly grant levels will increase by approximately \$17 and \$26 for individuals and couples, respectively, effective January 2021. CAPI benefits are equivalent to SSI/SSP benefits.

### **CHILDREN'S PROGRAMS**

Child Welfare Services include family support and maltreatment prevention services, child protective services, foster care services, and adoptions. California's child welfare

system provides a continuum of services to children who are either at risk of or have suffered abuse and neglect. Program success is measured in terms of improving the safety, permanence, and well-being of children and families served. The Budget includes \$700.1 million General Fund in 2021-22 for services to children and families in these programs, a decrease of \$22.6 million General Fund, or 3.1 percent, compared to the 2020 Budget Act. When federal and 1991 and 2011 Realignment funds are included, total funding for children's programs is in excess of \$8.9 billion in 2021-22. The net decrease is primarily attributable to decreased caseload under the Continuum of Care Reform and one-time funding related to child welfare services included in the 2020 Budget Act.

#### Significant Adjustments:

- **COVID-19 Related Supports for Child Welfare Services**—The Budget includes \$61.1 million General Fund in 2021-22 to support services related to quarantine needs for foster youth and caregivers, temporary extension of assistance payments to emergency caregivers, support to Family Resource Centers, state-administered contracts for youth and family helplines, provision of laptops and cellular phones to foster youth, assistance to families with youth who are at-risk of entering foster care, and temporary provision of assistance payments to youth who turn 21 years of age while in extended foster care after April 17, 2020, through December 31, 2021, and for any nonminor dependent who met eligibility requirements for the Extended Foster Care program and lost their employment or has experienced a disruption in their education program resulting from COVID-19, and cannot otherwise meet any of the participation requirements.
- **Federal Family First Prevention Services Act Implementation**—The Budget includes \$61.1 million (\$42.7 million General Fund) to begin implementation of Part IV of the federal Family First Prevention Services Act (FFPSA). FFPSA Part IV sets out new criteria for non-foster home placement settings eligible for federal Title IV-E Foster Care maintenance payments.
- **Child Welfare Workforce Development**—The Budget includes \$10.1 million (\$5.9 million General Fund) ongoing to establish an additional child welfare social workers regional training academy in northern California (bringing the statewide total to five academies), increase ongoing training for social workers and supervisors, assess training effectiveness, and modernize how social worker training is monitored and used to inform workforce development planning.

## HEALTH AND HUMAN SERVICES

- **Delay Suspension of Various Children's Issues**—The Budget proposes to extend the temporary augmentation to the Emergency Child Care Bridge Program, foster family agencies, Child Welfare Public Health Nursing Early Intervention Program, and the Family Urgent Response System from December 31, 2021, to December 31, 2022. Estimated costs to delay the suspension in 2021-22 are \$54.5 million General Fund. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- **Youth Returning from Out of State**—In partnership with the Legislature, \$5.2 million one-time General Fund was allocated in December 2020 for the Department of Social Services to support youth in their transition back to California. These resources are supporting county capacity building and supportive services for the returned youth, COVID-related quarantine costs, and technical assistance to support counties in placing the returning youth.

### **IMMIGRATION SERVICES**

The Department of Social Services funds qualified nonprofit organizations to provide immigration services to immigrants who reside in California via the unaccompanied undocumented minors and Immigration Services Funding programs. The Budget continues to include \$75 million General Fund ongoing for immigration services.

Significant Adjustments:

- **Rapid Response Program**—The Budget includes \$5 million one-time General Fund for the Rapid Response Program to support entities that provide critical assistance/ services to immigrants during emergent situations when federal funding is not available.

### **CHILD CARE**

Since 2019, the state has invested approximately \$400 million ongoing to expand early education and child care. The COVID-19 Pandemic has disrupted the child care system and federal funding has been critical to reducing long-term losses in this system. The Budget focuses on avoiding further loss in this system and builds on the recommendations made in the Master Plan for Early Learning and Care.

The 2020 Budget Act shifted early learning, child care and nutrition programs from the Department of Education to the Department of Social Services. This transition, which

becomes effective July 1, 2021, will align all child care programs within a single department in state government.

Significant Adjustments:

- **State Operations**—The Budget shifts \$31.7 million (\$0.9 million General Fund) and 185.7 positions from the Department of Education to the Department of Social Services to administer early learning, child care, and nutrition programs.
- **Local Assistance**—The Budget includes \$3.1 billion (\$1.3 billion General Fund) and shifts the following programs, including: General Child Care, Alternate Payment Programs, CalWORKs Stage 2 & Stage 3, Resource & Referral Programs, Migrant Child Care Program, Severely Disabled Program, California Child Care Initiative, Quality Improvement Activities, Local Planning Councils, and Child and Adult Care Food Program.
- **COVID-19 Related Support**—The Budget includes \$55 million one-time General Fund to support child care providers' and families' needs as a result of the pandemic.

Updated Proposition 64 cannabis tax revenues will provide an additional \$21.5 million for child care slots in 2020-21 and \$44 million ongoing. These funds will provide for 4,700 new child care slots.

For the first time, the Administration has begun the collective bargaining process with Child Care Providers United representing child care providers to negotiate a memorandum of understanding that governs the payments made to these providers. The California Department of Human Resources is the Governor's designee to meet and confer regarding matters within the scope of representation. DSS will support bargaining and work to meet goals articulated in the Master Plan on Early Learning and Care.

## **RESPONDING TO THE IMMEDIATE NEEDS OF CHILD CARE PROVIDERS**

While conclusive data continue to be collected on the impact of the COVID-19 Pandemic on the state's child care system, preliminary findings and anecdotal evidence suggest that the loss of capacity in the state has been significant. Regardless, many child care providers have gone to great lengths to continue to provide care to children in a safe environment, and have taken on the added responsibility of helping children in distance learning access their public school education. It is a priority for the Administration to support these providers to the greatest extent possible, to preserve the

existing system of care, and provide additional ongoing investments to improve and expand the system.

Despite significant fiscal limitations, the 2020 Budget Act preserved funding for early learning and care programs to the greatest extent possible, with a focus on serving the children of income-eligible essential workers. This included:

- Additional access to subsidized child care for children of essential workers
- Stipends for child care providers
- A funding hold harmless for child care providers that contract directly with the state and have to close for health and safety reasons
- Paid non-operational days when a provider accepting vouchers has to close for health and safety reasons
- Provider reimbursement at a child's maximum certified level of need for all providers accepting vouchers
- Family fee waivers for all families through August 31, 2020, with additional fee waivers for families eligible for, but not receiving, in-person care due to COVID-19, through June 30, 2021

The Administration took further action in October to provide \$110 million to child care providers to reimburse them for the cost of waived family fees and extend the length of care for children of essential workers with temporary vouchers.

### **FEDERAL RELIEF**

In late December, Congress passed a fifth stimulus bill, the Coronavirus Response and Relief Supplemental Appropriations Act that includes approximately \$10.3 billion for child care and Early Start. The state is expected to receive approximately \$1 billion. The 2020 Budget Act included language to guide the prioritization of additional federal funds as follows:

- Up to \$100 million for providers accepting vouchers to extend access to child care for children of essential workers, at-risk children, and other eligible children
- Up to \$90 million in child care provider stipends
- Up to \$35 million to increase the number of paid non-operational days for providers accepting vouchers that must close for health and safety reasons

- Up to \$30 million for reimbursing child care providers for family fees waived for families enrolled, but not receiving in-person care, from September 1, 2020, to June 30, 2021 (these costs were addressed by the Administration through the October action)
- Up to \$30 million to increase capacity for up to two years for subsidized child care and preschool
- Up to \$15 million to assist child care providers with the costs of re-opening

## **MASTER PLAN FOR EARLY LEARNING AND CARE**

The 2019 Budget Act included \$5 million one-time General Fund for a long-term roadmap to universal preschool and a comprehensive, quality, and affordable child care system. The Master Plan for Early Learning and Care was released on December 1, 2020, and provides recommendations and a multi-year plan for transforming the state's child care and early education systems. Specific to child care programs, the Master Plan's recommendations include:

- Streamlining program requirements to unify state child care program.
- Promoting school readiness by increasing access to high-quality preschool.
- Improving quality of care by enhancing educator competencies and providing affordable and accessible pathways for workforce advancement.
- Supporting equity by eliminating bias through practices and training, with specific focus on children with disabilities and dual language learners.
- Adopting a comprehensive reimbursement rate structure that considers care setting, costs associated with quality, characteristics of children served, and workforce competencies.
- Developing data infrastructure that supports the quality of care by aggregating data on the ways that families and educators experience the system.

Implementation of the Master Plan will require years of consistent investment and reform. The 2020 Budget Act began implementation of the Master Plan with funding dedicated to transition child care programs into a single agency. This transition improves the ability of state government to streamline and unify all early childhood services and eases the administration of child care provider collective bargaining, which began in late 2020. The Budget builds on this work by providing an increase of \$44.3 million Cannabis Fund to expand access to child care vouchers for more than

4,500 children, with \$21.5 million available starting in 2020-21. The K-12 Education chapter includes additional information about investments in early learning programs.

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### **DEPARTMENT OF PUBLIC HEALTH**

The Department of Public Health is charged with protecting and promoting the health and well-being of the people of California. The Budget includes \$4.2 billion (\$1.1 billion General Fund) in 2021-22 for the Department.

#### **COVID-19 DISASTER RESPONSE**

The Budget reflects over \$1 billion in 2020-21 which represents state and federal support for emergency response measures including supporting enhanced laboratory capacity and testing, data-driven investigation, response and prevention, coordination with local partners, and the Valencia Branch Laboratory. This total mainly reflects emergency funds and federal grants processed as of late Fall 2020; additional anticipated current year funding as of the Governor's Budget is reflected elsewhere in the budget.

The Budget includes over \$820 million in 2021-22 to continue and build on the emergency response measures described above.

Significant Adjustments:

- **New Cannabis Department**—The Budget proposes to transfer 119 positions and \$29.0 million in 2021-22 from the Department of Public Health to support the consolidation of resources for the new Department of Cannabis Control.
- **Licensing and Certification**—The Budget includes \$19.1 million for year three of the Los Angeles County contract and \$4.5 million to support increased medical breach and caregiver investigation workload.
- **Childhood Reading Augmentation**—The Budget includes \$5 million one-time General Fund for the Department of Public Health to provide books to low-income children to improve child development and literacy.

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### **DEPARTMENT OF DEVELOPMENTAL SERVICES**

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides

services to individuals with developmental disabilities as an entitlement. The Budget includes \$10.5 billion (\$6.5 billion General Fund) and estimates that approximately 386,753 individuals will receive developmental services by the end of 2021-22.

### **COVID-19 IMPACTS**

The Budget includes \$211.7 million (\$150.4 million General Fund) to address COVID-19 impacts on the developmental services system. Funding supports utilization increases for purchase of services above base funding levels and direct response expenditures for surge capacity at the Fairview and Porterville Developmental Centers and other operating costs in state-operated facilities.

### **REGIONAL CENTER EMERGENCY RESPONSE**

In the last five years, DDS has been impacted by various emergencies and disasters including wildfires, earthquakes, and public safety power shutoffs. The Budget includes \$2 million (\$1.4 million General Fund) ongoing for regional center emergency coordinators. Each regional center will receive a dedicated position to coordinate emergency preparedness, response, and recovery activities for DDS consumers.

Other Significant Adjustments:

- Youth Returning from Out-of-State Foster Care—The Budget includes ongoing \$5.8 million (\$3.5 million General Fund) for DDS to support approximately ten youth in their transition back to California. In partnership with the Legislature, one-time \$2.9 million (\$1.8 million General Fund) was allocated in December, 2020 for these purposes.
- Supplemental Rate Increase—The Budget includes \$454.6 million (\$261.2 million General Fund) in 2021-22 to continue the supplemental rate increases included in the 2019 and 2020 Budget Acts. The supplemental rate increases will be suspended on December 31, 2022. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.
- Uniform Holiday Schedule—The Budget includes \$55.9 million (\$35.8 million General Fund) in 2021-22 to suspend implementation of the Uniform Holiday Schedule. The funding will be suspended on December 31, 2022. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

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## DEPARTMENT OF STATE HOSPITALS

The Department of State Hospitals (DSH) administers the state mental health hospital system, the Forensic Conditional Release Program, the Sex Offender Commitment Program, and the evaluation and treatment of judicially and civilly committed patients. The Budget includes \$2.5 billion (\$2.3 billion General Fund) in 2021-22 for support of the Department. The patient population is expected to reach 6,361 by the end of 2021-22, including patients receiving competency treatment in jail-based settings.

### COVID-19 IMPACTS

The Budget includes \$51.9 million one-time General Fund in 2021-22 to address the impacts of COVID-19 including, but not limited to, isolation and testing capacity at state hospitals, outside medical invoicing, and other supports for patients and employees. As an additional safeguard, and to provide for increased surge capacity, DSH has contractually secured a portion of the Norwalk facility to use as an alternate care site. Due to the recent increase in COVID-19 cases this facility was activated in mid-December to provide for additional isolation space at DSH-Patton hospital.

### FELONY INCOMPETENT TO STAND TRIAL POPULATION

The Department 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, which has been further exacerbated by the COVID-19 Pandemic. The number of ISTs pending placement into the state hospital system was approximately 1,428 individuals in December 2020.

The Budget includes the followings proposals to address the number of ISTs pending placement by increasing local capacity to provide treatment, housing, and other necessary supports:

- Community Care Demonstration Project for Felony IST (CCDP-IST)—The Budget includes \$233.2 million General Fund in 2021-22 and \$136.4 million General Fund in 2022-23 and ongoing to contract with three counties to provide a continuum of services to felony ISTs in the county as opposed to state hospitals. This proposal seeks to demonstrate the effectiveness of streamlining services to drive improved outcomes for individuals with serious mental illness. This proposal is projected to serve up to 1,252 ISTs in the county continuum of care settings in 2021-22.

- Expansion of Community Based Restoration (CBR)—The Budget includes \$9.8 million General Fund in 2020-21, \$4.5 million General Fund in 2021-22, and \$5 million General Fund in 2022-23 and ongoing to expand the current Los Angeles County CBR program beginning in 2020-21 and establish new CBR programs in additional counties in 2021-22. This proposal is projected to increase capacity by up to 250 beds in 2021-22.
- Reappropriation and Expansion of the IST Diversion Program—The Budget includes \$46.4 million one-time General Fund, available over three years, to expand the current IST Diversion program in both current and new counties. Additionally, the Budget includes five-year limited-term funding of \$1.2 million General Fund annually to support research and administration for the program. Further, the Budget authorizes the reappropriation of existing program funds set to expire in 2020-21.
- Expansion of the Jail-Based Competency Treatment Program—The Budget includes \$785,000 General Fund in 2020-21 and \$6.3 million General Fund in 2021-22 and ongoing to expand the Jail-Based Competency Treatment program to seven additional counties. This expansion is estimated to increase capacity by up to 31 beds in 2021-22.
- Forensic Conditional Release Program (CONREP) Mobile Forensic Assertive Community Treatment (FACT) Team—The Budget includes \$5.6 million General Fund in 2021-22, \$8 million General Fund in 2022-23 and 2023-24, and \$8.2 million General Fund in 2024-25 and ongoing to implement a FACT team model within CONREP, in lieu of the typical centralized outpatient clinic model, to expand community-based treatment options for both ISTs and non-ISTs in counties and backfill State Hospital beds with IST patients. This expansion is estimated to increase capacity by up to 100 beds in 2021-22.
- CONREP Continuum of Care Expansion—The Budget includes \$3.2 million General Fund in 2020-21 and \$7.3 million General Fund in 2021-22 and ongoing to increase the step-down capacity in the community in order to transition more stable non-IST patients out of state hospital beds and backfill state hospital beds with IST patients. This expansion is estimated to increase capacity by up to 40 beds in 2021-22.

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## OTHER HEALTH AND HUMAN SERVICES ADJUSTMENTS

- Supporting Local Child Support Agency Administration—The Budget includes \$24.9 million (\$8.5 million General Fund) ongoing for local child support agencies to improve child support collections and services and \$23.8 million (\$8.1 million General

Fund) ongoing for local child support courts and state operations child support funding.

- Office of Youth and Community Restoration—The Budget includes \$3.4 million General Fund in 2021-22 and \$3.1 million ongoing General Fund to develop reports on youth outcomes in the juvenile justice system, staff a Child Welfare Council committee focused on improving outcomes for justice-involved youth, and create an Office Ombudsperson.
- Center for Data Insights and Innovation—The Budget proposes to consolidate existing resources to establish a Center for Data Insights and Innovation within the Agency. The Center will focus on leveraging data to develop knowledge and insights to improve program delivery and drive system transformation across health and human services.

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### **1991 AND 2011 REALIGNMENT**

The programs for 1991 and 2011 Realignment are funded through two sources: state sales tax and vehicle license fees. These fund sources are projected to increase by 5.6 percent from 2019-20 to 2020-21 and decrease by 1.9 percent from 2020-21 to 2021-22.

## 2011 Realignment Estimate at 2021 Governor's Budget

(\$ millions)

	2019-20	2019-20 Growth	2020-21	2020-21 Growth	2021-22	2021-22 Growth
<b>Law Enforcement Services</b>	<b>\$2,600.4</b>		<b>\$2,633.8</b>		<b>\$2,682.7</b>	
Trial Court Security Subaccount	558.2	0.0	567.0	\$10.1	563.7	0.0
Enhancing Law Enforcement Activities Subaccount	489.9	\$224.4	489.9	247.3	489.9	\$210.7
Community Corrections Subaccount	1,344.7	0.0	1,366.0	75.9	1,408.3	0.0
District Attorney and Public Defender Subaccount	40.9	0.0	41.6	5.1	45.5	0.0
Juvenile Justice Subaccount	166.7	0.0	169.3	10.0	175.3	0.0
<i>Youthful Offender Block Grant Special Account</i>	(157.5)	-	(160.0)	(9.4)	(165.6)	-
<i>Juvenile Reentry Grant Special Account</i>	(9.2)	-	(9.3)	(0.6)	(9.7)	-
<b>Growth, Law Enforcement Services</b>		<b>224.4</b>		<b>348.4</b>	<b>0.0</b>	<b>210.7</b>
<b>Mental Health</b>	<b>\$1,120.6</b>	0.0	<b>\$1,120.6</b>	\$9.4	<b>\$1,120.6</b>	0.0
<b>Support Services</b>	<b>\$3,825.1</b>		<b>\$3,885.6</b>		<b>\$3,969.3</b>	
Protective Services Subaccount	2,359.9	0.0	2,397.2	\$84.6	2,423.9	0.0
Behavioral Health Subaccount	1,465.2	0.0	1,488.4	94.0	1,545.4	0.0
<i>Women and Children's Residential Treatment Services</i>	(5.1)		(5.1)		(5.1)	
<b>Growth, Support Services</b>		<b>0.0</b>		<b>188.0</b>	<b>0.0</b>	
<b>Account Total and Growth</b>	<b>\$7,770.5</b>		<b>\$8,176.4</b>		<b>\$7,983.3</b>	
<b>Revenue</b>						
1.0625% Sales Tax	\$7,050.2		\$7,427.2		\$7,276.7	
General Fund Backfill	6.0		12.0		6.0	
Motor Vehicle License Fee	747.3		749.0		788.1	
<b>Revenue Total</b>	<b>\$7,770.5</b>		<b>\$8,176.4</b>		<b>\$7,983.3</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).

## 1991 Realignment Estimate at 2021 Governor's Budget

Dollars in Thousands

2019-20 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	\$-	\$2,296,188	\$-	\$443,649	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,050,566	216,223	-	152,435	290,884	2,073,492
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,050,566</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$596,085</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	-	-	-	-	-
Caseload Subaccount	-	-	-	-	-	-	-
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Realignment 2019-20<sup>1/</sup></b>	<b>\$1,105,432</b>	<b>\$1,050,566</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$596,085</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
2020-21 State Fiscal Year							
<b>Base Funding</b>							
Sales Tax Account	\$742,048	\$23,890	\$2,296,188	\$-	\$419,759	\$102,919	\$3,584,804
Vehicle License Fee Account	363,383	1,016,414	216,223	-	186,586	290,884	2,073,492
<b>Subtotal Base</b>	<b>\$1,105,432</b>	<b>\$1,040,304</b>	<b>\$2,512,411</b>	<b>\$-</b>	<b>\$606,346</b>	<b>\$393,803</b>	<b>\$5,658,296</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	\$6,372	\$21,182	\$68,917	\$36,594	-	\$50,632	\$183,698
Caseload Subaccount	-	-	(68,917)	-	-	-	(68,917)
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	(6,372)	(21,182)	-	(36,594)	-	(50,632)	(114,780)
Vehicle License Fee Growth Account	8,747	29,077	-	50,233	-	69,503	157,559
<b>Subtotal Growth</b>	<b>\$15,119</b>	<b>\$50,259</b>	<b>\$68,917</b>	<b>\$86,826</b>	<b>\$-</b>	<b>\$120,135</b>	<b>\$341,257</b>
<b>Total Realignment 2020-21<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,090,564</b>	<b>\$2,581,328</b>	<b>\$86,826</b>	<b>\$606,346</b>	<b>\$513,938</b>	<b>\$5,999,553</b>
<i>Change From Prior Year</i>	<i>\$15,119</i>	<i>\$39,998</i>	<i>\$68,917</i>	<i>\$86,826</i>	<i>\$10,262</i>	<i>\$120,135</i>	<i>\$341,257</i>
2021-22 State Fiscal Year							
<b>Base Funding</b>							
Sales Tax Account	\$752,888	\$-	\$2,345,276	\$25,545	\$460,934	\$152,263	\$3,736,906
Vehicle License Fee Account	367,663	1,096,570	212,429	47,288	113,889	354,063	2,191,902
<b>Subtotal Base</b>	<b>\$1,120,551</b>	<b>\$1,096,570</b>	<b>\$2,557,704</b>	<b>\$72,833</b>	<b>\$574,823</b>	<b>\$506,327</b>	<b>\$5,928,808</b>
<b>Growth Funding</b>							
Sales Tax Growth Account:	-	-	-	-	-	-	-
Caseload Subaccount	-	-	-	-	-	-	-
County Medical Services Growth Subaccount	-	-	-	-	-	-	-
General Growth Subaccount	-	-	-	-	-	-	-
Vehicle License Fee Growth Account	-	-	-	-	-	-	-
<b>Subtotal Growth</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Realignment 2021-22<sup>1/</sup></b>	<b>\$1,120,551</b>	<b>\$1,096,570</b>	<b>\$2,557,704</b>	<b>\$72,833</b>	<b>\$574,823</b>	<b>\$506,327</b>	<b>\$5,928,808</b>
<i>Change From Prior Year</i>	<i>\$0</i>	<i>\$6,005</i>	<i>-\$23,624</i>	<i>-\$13,993</i>	<i>-\$31,523</i>	<i>-\$7,611</i>	<i>-\$70,745</i>

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