

WHAT'S IN THE GOVERNOR'S PROPOSED STATE BUDGET FOR FY 2022-2023?

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SOME BIG PICTURES TO KEEP IN MIND

- \$286.4 Billion proposed State Budget
- Surplus of \$45.7 Billion
 - \$16 Billion automatically goes to schools
 - \$9 Billion to reserves or to pay down debt.
 - **Still leaves a \$20 Billion surplus**
- How can this be, when CA has the highest unemployment rate in the country?
 - 45% of CA tax revenue comes from the top 1%-- they got richer during the pandemic.
- “Gann limit” on state spending means taxes collect above certain amount have to go back to taxpayers somehow
 - Newsom proposes tax cuts of \$6.5 Billion
 - \$5.5 Billion for businesses by ending pandemic era tax one year early
 - Delay gas tax inflation increase for one year

HIGHLIGHTS: FULL SCOPE MEDI-CAL FOR ALL

- Regardless of citizenship or immigration status
 - Add 764,000 adults over 26 and under 50
 - Income to 138% of poverty (usual limit for adults) = \$36,156 a year for a family of four
 - Starting January 1, 2024
 - \$613.5 Million (state funds, no fed match) to ramp up in this budget
 - \$2.2 Billion in state funds per year at full implementation
- Part of Newsom's approach to achieving universal coverage
 - Kids and youth to 26 already covered
 - Older adults' (over 50) coverage starts May 1
- Compare Legislative leaders' approach:
 - Convert to a Single-Payer system
 - Finance with new taxes on individuals and businesses
 - State Healthy CA for All Commission to release plan in two months: how create single-payer
 - Will the Governor support?

OTHER HEALTH HIGHLIGHTS

- “No Negative Actions” for Medi-Cal, MCAP, C-CHIP til June 30
- Reduce premiums in Children’s Medi-Cal, MCAP, C-CHIPs and the Working Disabled Program to \$0 (\$19 Million first year state funds; \$31 Million ongoing*)
- Replace Child Health and Disability Program (CHDP) and Gateway July 1, 2023 with Children’s Presumptive Eligibility Program (PE) available to all providers.
 - Mandatory health plan coverage while in PE.
- Funding for last year’s SB 65’s improved data collection on maternal mortality
- Funding to improve abortion access and support women coming from other states to seek the procedure in CA

OTHER HEALTH HIGHLIGHTS, CONT'D

- Laboratory-processed crowns for posterior teeth, instead of stainless steel (\$13 Million)
- Extend Dental Managed Care in Los Angeles and Sacramento Counties
- Pre-release applications for Medi-Cal, “in-reach”, and coordination during re-entry for justice-involved individuals (\$16 Million)
- Equity practice transformation (\$200 Million)
- Mobile crisis services 24/7 starting January 1, 2023 through county behavioral health systems (\$16 million).
- Continues the 2021 Office of Health Care Affordability
- Recruit and train 25,000 new community health workers as additional health care providers (\$350 Million)

HOME VISITATION

- Expand the CDPH California Home Visiting Program and Black Infant Health Program (\$50 Million)
 - To be supported also by the proposed CHW workforce expansion
 - Greater flexibility for home visiting models
 - Home visiting services expanded to additional counties for families in highest need
 - 6,000 additional families to be served over five years
 - Currently, 3,700 are serviced by HV and 1,650 by BIH
- No restoration of 2020 pandemic cuts for the CalWORKs Home Visiting Program

NEW STIMULUS PAYMENTS

- \$1,000 for low-income families with children under age 5
 - Includes those with \$0 earnings, such as the disabled, who were excluded from the last round of CA stimulus (\$55 million)
- \$1,000 to former foster youth under 26 (\$20 million)
- Stimulus payments to others, if tax revenue exceeds the state constitution's spending cap ("Gann limit") in May, as Governor now estimates, by \$2.6 Billion.
 - **Negotiations with Legislature on how to give the excess back to taxpayers.**

OTHER COVID-19 ACTIONS

- \$1.4 Billion immediately on pandemic responses
- \$2.7 Billion in additional money over the next 18 months for increased testing, vaccination campaigns and support for hospitals and health care workers.
 - \$1.2 Billion to help expand hours and capacity at testing sites as well as distribute millions of antigen tests to schools, local governments and clinics.
 - \$583 million into efforts to get more Californians vaccinated and boosted. To fund in-home vaccination and testing programs, free transportation to vaccine appointments, and a public education campaign aimed at combating vaccine misinformation.
 - Mental health for kids and two free school meals a day for all kids
- More paid time off if sick.
 - But who will pay? State or business? Fed funds expired in September 2021.

UNIVERSAL PRESCHOOL & CHILD CARE

- 4 billion in spending over the next several years to create universal preschool in California
- 36,000 new child care slots for lower income families (leaves 150,000 on the waiting list)
- Increasing access to before-, after-, and summer school programs for kids

INCOME SUPPORT AND DEVELOPMENT

- 7.1% increase for CalWORKs, starting October 1, 2022
 - Still only 54% of poverty
- Allow *all* child support paid by non-custodial parents no longer on CalWORKs to go to families formerly receiving CalWORKs or Medi-Cal. (\$187 Million)
- Phased-in expansion of California Food Assistance Program to all Californians ages 55 and older, regardless of immigration status. (\$35.2 Million for planning; \$113.4 Million annually starting in 2025)
- Development of college and career pathways focused on education, health care, technology, and climate-related fields (Prop 98, \$1.5 Billion)
- Care economy workforce development to create more innovative and accessible opportunities to recruit, train, hire, and advance an ethnically and culturally inclusive health and human services workforce (\$1.7 Billion over three years)

HOMELESSNESS AND HOUSING

- \$2 Billion for grants and tax credits aimed at increasing housing production in California.
- Additional \$2 Billion aimed for shelters that have behavioral health support for the homeless, on top of \$12 Billion passed last year.
- \$182 Million to fight the opioid epidemic, particularly the fentanyl crisis, including for overdose prevention and medication-assisted treatment
- Conservatorship laws for counties to force residents deemed mentally incompetent by a court into treatment.
- Transitional housing for at risk parolees (\$10.6 Million over three years)
- Legal assistance for renters and homeowners (\$40 Million)

RESOURCES AND HEARINGS

- [Here is the link](#) of WCLP's budget summary.
- DHCS Budget Highlights:
https://www.dhcs.ca.gov/Documents/Budget_Highlights/DHCS-FY-2022-23-GB-Highlights.pdf
- Senate Budget Sub 3 on Health and Human Services:
 - CDPH Budget Friday, Feb 18
 - DHCS Budget and Medi-Cal Thursday, Feb 24
- Assembly Budget Sub 1, Health and Human Services
 - None scheduled yet

THANK YOU!

- Questions?