

2022-2023 State Budget Proposal

Programs	January Budget
Early Care & Education	
TK - Transitional Kindergarten	<p>-\$639.2 million General Fund to expand eligibility for transitional Kindergarten, from all children turning five-years-old between September 2 and December 2 to all children turning five-years-old between September 2 and February 2, beginning in the 2022-23 school year. These funds will increase the Proposition 98 Guarantee through the process of rebenching.</p> <p>-\$383 million Proposition 98 General Fund to add an educator to every transitional kindergarten class, reducing student-to-adult ratios to more closely align with the State Preschool Program.</p> <p>-\$1 billion Proposition 98 General Fund to begin the first year of this program, increasing access to at least 56,000 children and reducing student-to-adult ratios, with full implementation planned by 2025-26. With this change, schools are encouraged to use State Preschool programs to provide wraparound care for income-eligible students so they may have a full day of developmentally appropriate care and education.</p>
Rate increases/reform	<p>-\$5.8 billion (\$2.3 billion General Fund) for child care programs, including continued support for the historic multi-year commitment to rate increases taking effect in January 2022, supplemental funding to providers, infrastructure grant program funding, and eventually expanding child care access by 200,000 slots.</p> <p>-The Budget also includes \$373 million to support a full year of rate increases while the state continues work with partners and stakeholders toward further rate reform and increased access to a comprehensive, quality, and affordable child care and development system as set forth in the Master Plan for Early Learning and Care.</p> <p>-Consistent with these goals, the state and Child Care Providers United – California (CCPU) are working collaboratively through a Joint Labor Management Committee (JLMC) to develop recommendations for a single reimbursement rate structure that addresses quality standards for equity and accessibility while supporting positive learning and developmental outcomes for children. The JLMC will provide recommendations no later than November 15, 2022.</p> <p>-The state is also convening a separate workgroup to assess the methodology for establishing reimbursement rates and the existing quality standards for child care and development and preschool programs. This workgroup will provide recommendations no later than August 15, 2022.</p>

Child Care Spaces	<p>-The Budget includes \$823.7 million for 36,000 additional subsidized slots compared to 2021-22. When combined with the slots funded in the 2021 Budget Act, this brings the total to over 145,000.</p> <p>-\$25 million to fund the Child Care Initiative Project through June 30, 2023, to address areas underserved by child care providers, increase child care slots, and support providers who want to become licensed.</p> <p>-\$5.8 billion (\$2.3 billion General Fund) for child care programs, including continued support for the historic multi-year commitment to rate increases taking effect in January 2022, supplemental funding to providers, infrastructure grant program funding, and eventually expanding child care access by 200,000 slots.</p>
State Preschool Program	<p>-\$197.8 million Proposition 98 General Fund and \$110.6 million General Fund to increase State Preschool Program adjustment factors for students with disabilities and dual language learners. Increases are intended to fund new requirements for State Preschool providers to: (1) serve at least 10 percent students with disabilities, and (2) provide additional supportive services for dual language learners.</p> <p>-Additionally, all students participating in State Preschool will maintain continuous eligibility for 24 months (increased from 12 months) after eligibility is confirmed, children with an individualized education program will be categorically eligible to participate in State Preschool, and State Preschool providers that have served all eligible three- and four-year-olds in their service will be allowed to serve two-year-old children.</p> <p>-\$500 million one-time Proposition 98 General Fund to support the Inclusive Early Education Expansion Program, which funds infrastructure necessary to support general education and special education students in inclusive classrooms.</p>
Brilliant Beginnings	<p>- \$4.8 million General Fund to support infrastructure, planning, and initial design of a child care data system and information technology solution, referred to as California Supporting Providers and Reaching Kids (CalSPARK)</p> <p>-\$3.1 million in funding from the Preschool Development Grant Birth through Five Renewal from 2020 to 2023 to support the Brilliant Beginnings data initiative and the single verification hub</p>
Other	<p>-\$10.6 million in funding through June 30, 2023 for the California Infant and Early Childhood Mental Health Consultation program to support the mental health needs of children, families, and child care providers.</p>
Health	

Med-Cal premium relief	The Budget includes \$53.2 million (\$18.9 million General Fund) in 2022-23 and \$89 million (\$31 million General Fund) annually to reduce Medi-Cal premiums for approximately 500,000 pregnant women, children, and disabled working adults. Currently, these beneficiaries have income that is marginally above the threshold for Medi-Cal, requiring them to pay monthly premiums.
Medi-Cal Provider Equity payments	To promote patient-centered models of care and preventative care, the Budget includes \$400 million (\$200 million General Fund) one-time for provider payments focused on advancing equity and improving quality in children's preventive, maternity, and integrated behavioral health care
CalAIM	The Budget 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 2024-25 for CalAIM.
Proposition 56 supplemental payments	Proposition 56 funds various supplemental payment programs including the Family Planning, Access, Care and Treatment program, women's health services, dental and physician services, developmental and trauma screenings, non-emergency medical transportation, and others. Proposition 56 revenues continue to decline as the rate of tobacco use declines. In 2022-23, Medi-Cal supplemental payments funded by Proposition 56 are projected to exceed revenues by \$176 million. To maintain the enhanced level of reimbursement, the Budget includes \$176 million General Fund to support reduced Proposition 56 revenue.
ACEs provider trainings	The Budget includes one-time \$135.1 million (\$67.6 million Mental Health Services Fund, remainder is federal funds), over a three-year period to extend Medi-Cal provider training for ACEs screenings.
Community Health Workers	\$350 million General Fund to recruit, train, and certify 25,000 new community health workers by 2025 in areas such as climate health, homelessness, and dementia to meet the goal of a more ethnically and culturally inclusive workforce by 2025.
Dyadic Care Services	\$87 million total fund (\$41 million General Fund) to implement Dyadic Services effective January 1, 2023.
Behavioral health practices	\$429 million General Fund for evidence-based behavioral health practices

Federally Qualified Health Center Alternative Payment Model Project	The Department is proposing trailer bill language to update existing law that authorizes the Department to implement an Alternative Payment Model (APM) reimbursement methodology for Federally Qualified Health Centers (FQHCs) to incentivize delivery system and practice transformation at FQHCs through flexibilities available by moving away from a volume-based reimbursement methodology
Early Childhood Mental Health Consultations	\$10.6 million in funding through June 30, 2023 for the California Infant and Early Childhood Mental Health Consultation program to support the mental health needs of children, families, and child care providers.
Maternal Care Services	16 Positions-- \$5.5M TF/ \$5.5M GF-- to support initiatives aimed at improving maternal and infant health outcomes in California. These statewide coordinated efforts include in-depth case reviews and data collection and publishing of findings regarding pregnancy-related deaths, severe maternal morbidity and infant deaths.
Families	
Expanded home visiting services	The Budget provides \$50 million ongoing General Fund for the Department of Public Health (CDPH) to expand the California Home Visiting Program and the California Black Infant Health Program, serving approximately 6,000 additional families over five years on top of 3,700 currently served by the Home Visiting Program and 1,650 served by the Black Infant Health Program. The Budget proposes greater flexibility for the home visiting models offered to meet the diverse needs of families across the state, expands home visiting services to additional counties, and makes them accessible to families with the highest needs.
Part C to B	\$65.5 million (\$45.1 million General Fund) to strengthen the transition process for three-year-old children with intellectual and/or developmental disabilities moving from the Early Start program (Part C of the federal Individuals with Disabilities Education Act (IDEA)) to special education (Part B of IDEA). This funding supports service coordinator-to-child caseload ratios, supports to preschools to increase inclusion of children served by regional centers, establishment of IDEA specialists at each regional center, and resources to facilitate interagency coordination.
Early Literacy	The Budget includes \$10 million General Fund to expand early literacy efforts by developing a partnership between CDPH and First 5 California to administer a statewide program to provide multilingual books and early literacy programing for families with young children in collaboration with other state programs such as home visiting, child care, early childcare centers, and foster care.

Regional Center caseload reductions	\$51 million (\$31.9 million General Fund) in 2022-23 and \$68.1 million (\$42.6 million General Fund) ongoing to reduce regional center service coordinator caseload ratios to 1:40 for children through age five. These investments will help increase participation of service coordinators in Individual Education Plan meetings, increase family visits from bi-annually to quarterly, and strengthen federal compliance with timely service delivery and transitions. □
Special education supports for pre-schoolers	\$10 million General Fund to promote inclusion in preschool of three- and four-year olds served by regional centers. Resources will support preschool efforts to improve accessibility of their programs. This will present families with an opportunity for their child to learn alongside children with different abilities.
Early Start	\$1.2 million (\$1 million General Fund) to increase DDS resources to make improvements to the Early Start Program to drive toward inclusive services, help streamline intake processes, align systems, and increase interagency collaboration with CDE.
Family Finding and Engagement	The Budget includes \$1 million (\$750,000 General Fund) ongoing for the Department to provide additional technical assistance and training to counties in meeting the need for children in foster care and unaccompanied minors to be connected to permanent family.
Diapers	\$30.0 million was provided to continue Food Bank Diaper Support
Communities	
EITC	The Budget includes a new refundable credit for young adults who have been in the foster care program. Adults raised in the foster care system generally suffer disproportionate levels of economic hardship. This proposal provides an additional \$1,000 credit for individuals who have been in the foster care system at some point at age 13 or older and who are now at least 18 but 25 or younger, and who otherwise qualify for the CalEITC. This proposal is expected to cost roughly \$20 million ongoing General Fund.
Young Child Tax Credit	The Budget builds on the 2019 Young Child Tax Credit (YCTC) by: (1) indexing the YCTC for inflation starting in the 2022 tax year and (2) expanding the YCTC to include households with zero earned income.

California Food Assistance Program (Emergency Allotments)	The Budget includes \$35.2 million General Fund for planning purposes, increasing to \$113.4 million General Fund annually in 2025-26, to expand the CFAP program to Californians age 55 and older regardless of immigration status, based on statute included with the 2021 Budget Act
Supplemental Nutrition Benefit and Transitional Nutrition Benefit Program	Total TANF expenditures are \$8.5 billion (state, local, and federal funds) in 2022-23. The amount budgeted includes \$6.6 billion for CalWORKs program expenditures and \$2 billion in other programs.