

Potential Funding Sources for First 5 Services and Capacity Building

Medicaid / CalAIM		Child Welfare Services		Home Visiting		Behavioral Health
<p>Enhanced Case Management (ECM) - This is a newly covered set of benefits pursuant to the CalAIM Waiver. ECM may include home visiting for recipients who meet certain criteria, which could enable First 5 commissions that offer home visiting services to expand services. Care is needed to avoid duplication of services/funding.</p>	<p>Targeted Case Management (TCM) - TCM is funded with local and federal Title XIX (Medicaid) funds. The program reimburses participating counties for the federal share of costs (typically 50%) for case management services provided to Medi-Cal beneficiaries in specific target populations.</p>	<p>Family First Prevention Services Program - Makes available state and federal funding for participating counties and tribes to provide prevention services to reduce the likelihood of children and families being more formally engaged in the child welfare system.</p>	<p>Rate Reform - Strengths Building Activities - When implemented (likely in 2026), a child assessed as needing these services, and their family, will work with a spending plan manager to develop a plan for purchasing goods and services in the community.</p>	<p>CalWORKs Home Visiting - Services are funded through the CalWORKs program. Eligible families may be able to receive home visiting services for up to 24 months or until the child's second birthday, whichever is later.</p>	<p>Early Head Start—Home Based Option (EHS-HBO) - Funded by the Federal Office of Head Start at the U.S. Department of Health and Human Services. Programs are designed to promote child development and to enable their parents to fulfill their roles as parents and to move toward self-sufficiency.</p>	<p>Behavioral Health Services Act (BHSA) - Also known as Proposition 1, previously the Mental Health Services Act (MHSA). Requires counties to spend at least 17.85% of funding on early intervention services for Californians age 25 and under. Funds are very flexible and can be used for either mental health or substance use disorder services.</p>
<p>Community Health Workers (CHW) - CHWs provide system navigation support for families whose children are at risk of or have identified health and/or developmental needs. This is a newly covered service provider under the Medi-Cal program pursuant to the CalAIM Waiver. First 5 commissions may wish to work with managed care plans to offer CHW services.</p>	<p>Dyadic Benefit - This Medi-Cal funded service allows for reimbursement for specified behavioral health related services provided to child and parent/caregiver. Programs include: Positive Parenting Program, Parent-Child Interaction Therapy, HealthySteps.</p>	<p>Realignment - Created and governed by state law changes enacted in 1991 and 2011 and Proposition 30 enacted by voters in 2012, counties receive dedicated taxes and fees to cover the costs of specified health and human services programs, including the provision of child welfare services to children and families. These funds are relatively flexible in their use within the requirements of the law, but can fluctuate from one year to the next as they are tied to consumer spending and the economy.</p>	<p>Rate Reform - Immediate Needs - Upon implementation (likely in 2026), county child welfare agencies will receive an allocation to contract for or otherwise arrange services to meet the immediate needs of children, including children aged 0-5 who are assessed as benefiting from immediate needs services.</p>	<p>California Home Visiting Program (CHVP) - This program is funded by the California State General Fund and the federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) program. CHVP offers evidence-based home visiting models, such as Nurse Family Partnership, Healthy Families America, and Parents as Teachers.</p>	<p>Children and Youth Behavioral Health Initiative (CYBHI) - This five-year, \$4.6 billion initiative seeks to expand and enhance behavioral health services to children and youth across California through several rounds of targeted grants, increased outreach, and reduction of stigma. Note that this initiative is in the final year of implementation.</p>	<p>Realignment - Created and governed by state law changes enacted in 1991 and 2011 and Proposition 30 enacted by voters in 2012, counties receive dedicated taxes and fees to cover the costs of specified health and human services programs, including the provision of behavioral health care to their residents. These funds are relatively flexible in their use within the requirements of the law, but can fluctuate from one year to the next as they are tied to consumer spending and the economy.</p>

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Other State Sources	Other Federal Sources	Other Local Sources				
<p>State General Fund — Most budget requests for local programs are funded via State General Fund (SGF). This refers to the primary operating funds for the state government, and includes funding received by the Treasurer’s office that is not required by law to be deposited into another fund.</p>	<p>Federal Earmarks - Refers to receipt of funds in the federal budget through an “earmark” requested by a congressional office. This entails a number of steps, including working with a federal lobbyist and/or developing a direct relationship with at least one congressional office, making a case for the request, and being able to document the need and how funds will be used.</p>	<p>County General Fund — This is the primary operating fund for the county, and consists of revenue received by the county that is not required to be used for specific purposes or deposited into specified funds.</p>	<p>Local Property Taxes - Counties can raise property taxes for various purposes. This includes various parcel taxes, taxes on commercial properties, and taxes on vacant properties. On June 5, 2018, San Francisco voters passed Proposition C, a Commercial Rent Tax for Childcare and Early Education, that authorizes an additional tax on the lease of commercial property for certain landlords.</p>			
<p>State Budget District Requests - Refers to receipt of funds in the state budget in partnership with a local Assembly and/or Senate representative’s office. Similar steps as for federal earmark, including working with a state lobbyist and/or developing a direct relationship with at least one member, making a case for the request, and being able to document the need and how funds will be used. Also called “member requests.”</p>	<p>Health Services Initiative (HSI) - Allows states to utilize up to 10 percent of their Children’s Health Insurance Program (CHIP) funding to administer programs focused on improving the health of children in low-income households. California’s use of the HSI option has been limited; several other states have examples of programs aimed at children aged 0-5.</p>	<p>Transaction and Use Taxes (TUTs) - Counties can seek approval from voters to increase taxes on sales in their jurisdiction, and dedicate the funds for purposes such as early child education. Alameda County’s Measure C, a 0.05% TUT approved by voters, will be used to fund early childhood education system enhancements and children’s health care.</p>	<p>County Cannabis Tax - Section 34021.5 of the Revenue and Taxation Code specifies that a county to impose a tax on a licensed cannabis producer. Such a tax may be imposed for general governmental purposes or for purposes specified by the Board of Supervisors. Several counties have imposed taxes on various aspects of cannabis production, including but not limited to: flat rate and sliding scale fees for annual business licenses, tax rates levied per square foot of growing space for cultivators, and various percentage fees on receipts.</p>			