



To: CHEAC General Membership

From: [Michelle Gibbons](#), Executive Director
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Date: June 29, 2022

RE: 2022-23 Budget Agreement

This evening, the California Legislature finalized the FY 2022-23 State Budget, representing a spending plan of over \$300 billion (\$234.4 billion General Fund). The final spending plan includes \$37.2 billion in reserves in 2022-23, including \$3.4 billion in the state's regular operating reserve.

Recall, the Legislature on June 13 passed SB 154 (Skinner), representing the budget agreement reached between the Senate and Assembly. Over the past two weeks, legislative leaders and the Newsom Administration have been engaged in budget negotiations, reaching agreement on the overall spending plan just earlier this week. To reflect the agreement reached by the three parties, the Legislature granted final approval of a series of measures this evening amending SB 154 (AB 178: Budget Bill Jr.), amending the 2021-22 Budget Act (AB 180), and setting forth implementation details for new and existing investments (budget trailer bills). The Legislature is anticipated to continue action on a handful of budget trailer bills upon legislators' return to Sacramento from Summer Recess in August.

At a high level, the 2022 State Budget makes a wide array of investments related to, among others, health and social services, climate change and infrastructure, education, and fiscal relief. Related to fiscal relief, the budget provides \$9.5 billion in direct refunds to California taxpayers, targeted taxpayer relief, \$2.3 billion in supports to small businesses and nonprofits, and \$1.3 billion in health care worker retention stipends.

Below, we provide a high-level overview of investments included in the budget agreement of most interest to CHEAC Members. Please reference our budget trailer bill summaries for additional details.

Public HERO Initiative Funding Requests. We are pleased to note the final 2022 Budget Act includes significant investments in public health infrastructure and workforce sought as part of the California Can't Wait Coalition's [Public Health Equity and Readiness Opportunity \(HERO\) Initiative](#).

The [California Can't Wait Coalition commends](#) the Newsom Administration and California Legislature for upholding their commitment to provide \$300 million ongoing General Fund,

with \$200 million slated for local health departments, to bolster public health infrastructure and workforce statewide.

Additionally, the following Public HERO workforce-related one-time investments are included in the 2022 Budget Act:

Public HERO Initiatives Funded in 2022 Budget Act		
Investment	Annual Amount	Total Amount
Waive PHN Certification Fees (3 years)	\$3,333,000	\$9,999,000
CA Public Health Pathways Training Corps (3 years)	\$8,000,000	\$24,000,000
Incumbent Worker Upskill Training (4 years)	\$3,200,000	\$12,800,000
California Microbiologist Training (3 years)	\$3,200,000	\$9,600,000
California Lab Aspire (3 years)	\$3,200,000	\$9,600,000
California Epidemiologic Investigation Services (Cal-EIS) Training (3 years)	\$3,200,000	\$9,600,000
Total Public Health Workforce Investments		\$75,599,000

Additional details on the Public HERO funding and its requirements are provided in [Health Trailer Bill Summary](#).

The only investment item from the Public HERO Initiative not included in the 2022 Budget Act was \$120 million (available over three years) for Public Health Recruitment and Retention Stipends.

Child Health and Disability Prevention Program. The final state budget will sunset the Child Health and Disability Prevention (CHDP) Program on July 1, 2024, or on the date DHCS certifies specified activities are completed, whichever is later. DHCS will be required to convene a stakeholder process (including CHEAC), develop a transition plan, take specified actions to continue Medi-Cal presumptive eligibility for children under 19 years of age, and provide an update to the Legislature during next year's budget process. Additional details are provided in the [Health Trailer Bill Summary](#).

Sexually Transmitted Diseases. The 2022 Budget Act provides \$38 million over three years to address epidemics of HIV/AIDS, Hepatitis B and C, and other sexually transmitted diseases. Funding will go to local health jurisdictions and community-based organizations. The budget additionally modifies various statutory requirements related to STD funding. Please reference the [Health Trailer Bill Summary](#) and [Budget Bill Jr. – AB 178](#) Summary for more details.

California Home Visiting and Black Infant Health Programs. The 2022 Budget Act provides General Fund augmentations for the California Home Visiting Program (CHVP) and Black Infant Health (BIH) Program, allocating \$45 million for local assistance and \$5 million for CDPH operations.

SMARTER Plan. The budget provides \$1.8 million one-time California Emergency Relief Fund and \$100 million General Fund reimbursement authority in 2022-23 to continue the state's public health response to COVID-19 and implement the state's SMARTER Plan. Funding will support vaccinations, testing, enhanced surveillance, test-to-treat therapeutics, medical surge staffing, operations support, and border operations.

Reproductive Rights. The budget provides over \$200 million in reproductive health investments following the U.S. Supreme Court's recent ruling invalidating *Roe v. Wade*. The investments include:

- \$40 million for an Uncompensated Care Fund
- \$30 million for Equity and Infrastructure payments for clinic abortion providers
- \$20 million for Reproductive Health Care Services scholarships/loan repayments
- \$20 million for Reproductive Health Care Facilities security
- \$20 million for Premium Subsidy Payments
- \$20 million for the California Abortion Support Fund
- \$20 million for Los Angeles Reproductive Health Pilot
- \$15 million for the Reproductive Justice and Freedom Fund
- \$10 million to backfill lost Title X Family Planning funds
- \$8 million for Family PACT and HPV vaccine coverage
- \$2 million for reproductive rights website and research on unmet reproductive health care needs

Non-Profit Hospital Community Benefit Funding for Community-Based Organizations (CBOs). The budget does not include the Administration's earlier proposal to require non-profit hospitals to direct 25 percent of the community benefit dollars to support community-based organizations focused on public health efforts to advance equity and reduce disparities in health outcomes.

Children and Youth Behavioral Health. The budget provides a significant investment in children and youth behavioral health initiatives. Initiatives of particular interest to local health departments include:

- \$50 million one-time for Youth Suicide Reporting and Crisis Response Pilot Program at CDPH
- \$40 million one-time General Fund to establish and administer a Youth Suicide Prevention Project through grants administered by CDPH.

Medi-Cal-Related Investments. The budget enacts a variety of investments and statutory changes to the Medi-Cal program. These investments and statutory changes:

- Expand full-scope Medi-Cal to individuals 26-49, inclusive, who are otherwise eligible but do not have or is unable to establish satisfactory immigration status (to be implemented no later than January 2024)
- Specify Medi-Cal benefit suspension processes for incarcerated adults

- Detail Medi-Cal telehealth policy changes
- Authorize DHCS to not impose premiums for specified Medi-Cal enrollees
- Authorize Medi-Cal eligibility without a share of cost for specified populations
- Restore rate reductions for specified providers enacted in the 2011 Budget Act
- Authorize supplemental Medi-Cal payments for specified services
- Provide continuous Medi-Cal coverage for children up to age five

Microenterprise Home Kitchen Operations. The budget provides \$8 million one-time to the California Workforce Development Board to administer the Microenterprise Home Kitchen Operation (MEHKO) grant program. Of this amount, \$3 million is intended for local health departments and city code enforcement agencies for reimbursement of costs incurred in developing application forms, permitting processes, and initial site inspections.

Next Steps. With the Legislature advancing a series of key budget measures this evening, the state’s budget framework for the upcoming fiscal year now awaits action by Governor Gavin Newsom. The Legislature and Newsom Administration are anticipated to continue negotiations on remaining budget trailer bills that will be acted upon in August after the Legislature’s Summer Recess. CHEAC will continue to provide updates on forthcoming actions related to the budget and relevant trailer bills.

Questions. For questions on the items highlighted above or other budget-related inquiries, feel free to contact your CHEAC Staff via email.

Resources.

Senate Preliminary Budget Summary:

https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/Final%20Version%20Preliminary%20Summary4.YS_.pdf

Assembly Floor Report of the Budget:

<https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/Floor%20Report%20of%20the%202022-23%20Budget%20%28Updated%20June%2029%2C%202022%29.pdf>

Assembly Budget Trailer Bill Analyses Packet:

<https://abgt.assembly.ca.gov/sites/abgt.assembly.ca.gov/files/June%2027%20Analyses%20Packet.pdf>

2022-23 Budget Bills of Interest		
Budget Act of 2022		SB 154
Amendment to the Budget Act of 2022 (Budget Bill Jr.)	CHEAC Summary	AB 178
Amendment to the Budget Act of 2021 (Budget Bill Jr.)	CHEAC Summary	AB 180
Health	CHEAC Summary	SB 184

COVID-19 Emergency Response: Learning Recovery Emergency Fund: Appropriation	CHEAC Summary	AB 182
General Government	CHEAC Summary	SB 189
Skilled Nursing Facility (SNF) Financing		AB 186
<i>Updated as of June 29, 2022</i>		