



# HIGHLIGHTS OF GOVERNOR'S PROPOSED 2022-23 MAY REVISION

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## OVERVIEW

Since release of his January budget proposal, Governor Newsom's administration has submitted more than 900 [budget change proposals](#) (BCPs) and about 100 [trailer bill proposals](#) to legislative budget committees for review. Now, on May 13, 2022, the Governor's administration has submitted a [revised budget proposal](#) to the Legislature one day earlier than required by Section 13308(e) of the Government Code. Additional BCPs and trailer bill proposals are expected.

The Legislature now will advance to passage of the 2022-23 budget bill by midnight on June 15, as required by Section 12 of Article IV of the California Constitution. Under the leadership of Speaker Anthony Rendon and Senate President pro Tempore Toni Atkins, as well as Assemblymember Phil Ting, Senator Nancy Skinner, and chairs of the budget subcommittees, the Assembly and Senate have been working for months to prepare for the final budget decisions by the Legislature.

**Early Budget Actions.** Via the budget process, the Legislature acted in February and March on some of the key challenges facing California residents and businesses:

- SB 115 appropriated \$1.9 billion to address the continuing effects of the COVID-19 pandemic.
- SB 115 funded costs related to four 30 megawatt power generators the state purchased in 2021.
- SB 115 approved access to state loans to ensure that the 2021 Emergency Rental Assistance Program continued to help tenants and landlords.
- SB 113 budgeted \$150 million for additional grants to small businesses for COVID-19 relief.
- SB 113 provided billions of dollars of tax relief to businesses by ending, one year early, temporary limits on the ability of businesses to use certain deductions and tax credits, as well as conforming state tax law to federal law for Restaurant Revitalization Fund and Shuttered Venue Operators grants. SB 113 also made a variety of changes to the now widely used Elective Pass-Through Entity Tax and Tax Credit program.
- SB 114 extended COVID-19 supplemental paid sick leave for specified employees through September 30, 2022.
- SB 118 ensured that UC Berkeley could enroll new residents in 2022, broadly consistent with prior legislative actions to grow UC enrollment.

**Assembly Budget Priorities.** The state budget is a powerful expression of California values, such as addressing the climate crisis, promoting more equity to advance all of the state's diverse communities, and standing up for human rights, including reproductive and LGBTQ rights. An expanded budget surplus, confirmed by the May Revision after booming revenue collections of recent months, allows the state to continue the work of

recent state budgets, protecting the promises the state has made and safeguarding existing programs that help millions of Californians. California also has more opportunity now to invest in long-term infrastructure projects that secure the future for generations to come and improved funding for schools and higher education, as envisioned in the [Assembly Budget Blueprint](#) that was released on December 9, 2021.

Speaker Rendon and Senate President pro Tempore Atkins also have worked with their colleagues in recent months on proposals to address the rising cost of living, including a workable plan that focuses tax relief on families that need the help the most. The Legislature’s leaders look forward to the Governor and the Legislature joining together to adopt tax relief that provides targeted, powerful assistance to California families.

**Governor’s May Revision.** According to the administration’s new May Revision estimates, General Fund revenues are nearly \$55 billion higher than estimated in January for 2021-22 and 2022-23 combined, even after the temporary limitation of business tax credits was restored earlier this year. With these higher revenues, the Governor proposes an \$18 billion inflation relief package, including payments to car owners, a temporary reduction in diesel taxes, funding to subsidize transit riders’ costs, utility assistance, payments to essential health care workers advocated by legislators since last year, and continued waiver of low-income families’ child care fees. The Governor proposes increased funding for various infrastructure items, a new multiyear energy package, and funding for various drought and firefighting initiatives. The administration also makes several proposals to enhance budget resiliency, including paying down debts and saving for a future budget “rainy day.” Additional information characterizing the size of the surplus and the Governor’s proposals will be released soon by the Legislative Analyst’s Office at [www.lao.ca.gov](http://www.lao.ca.gov).

**The State Appropriations (Gann) Limit.** With the substantial tax relief, infrastructure, and emergency (COVID 19 and drought) spending items in the May Revision, the administration estimates the state’s appropriations subject to this constitutional limit would be \$2.6 billion under the limit for the two-year period that ends on June 30, 2022. The administration’s calculations are that the May Revision’s appropriations subject to the limit would be \$3.4 billion over the limit for the 2022-23 fiscal year.

It is clear that the Gann Limit will need to be changed by voters, likely in 2024, to prevent future, unsustainable constitutional obligations that would necessitate cuts to core state and local programs.

**SUMMARY OF CHARTS**

**2022-23 May Revision  
General Fund Budget Summary**

(in millions)

	<b>2021-22</b>	<b>2022-23</b>
<b>Prior Year Balance</b>	\$37,698	\$15,425
Revenues and Transfers	\$226,956	\$219,632
<b>Total Resources Available</b>	<b>\$264,654</b>	<b>\$235,057</b>
Non-Proposition 98 Expenditures	\$165,590	\$145,071
Proposition 98 Expenditures	\$83,639	\$82,292
<b>Total Expenditures</b>	<b>\$249,229</b>	<b>\$227,363</b>
<b>Fund Balance</b>	<b>\$15,425</b>	<b>\$7,694</b>
Reserve for Liquidation of Encumbrances	\$4,276	\$4,276
Special Fund for Economic Uncertainties	\$11,149	\$3,418
<b>Public School System Stabilization Account</b>	<b>\$7,293</b>	<b>\$9,519</b>
<b>Safety Net Reserve</b>	<b>\$900</b>	<b>\$900</b>
<b>Budget Stabilization Account / Rainy Day Fund</b>	<b>\$20,325</b>	<b>\$23,283</b>

**General Fund Expenditures by Agency**

(in millions)

	2021-22	2022-23	<u>Change from 2021-22</u>	
			Dollar Change	Percent Change
Legislative, Judicial, Executive	\$20,360	\$14,896	-\$5,464	-26.8%
Business, Consumer Services & Housing	2,291	1,359	-932	-40.7%
Transportation	3,109	1,270	-1,839	-59.2%
Natural Resources	14,287	8,734	-5,553	-38.9%
Environmental Protection	5,326	585	-4,741	-89.0%
Health and Human Services	53,142	67,175	14,033	26.4%
Corrections and Rehabilitation	14,422	14,647	225	1.6%
K-12 Education	81,706	78,012	-3,694	-4.5%
Higher Education	22,337	23,192	855	3.8%
Labor and Workforce Development	1,577	2,126	549	34.8%
Governmental Operations	11,235	4,938	-6,297	-56.0%
General Government:				
Non-Agency Departments	1,915	2,059	144	7.5%
Tax Relief/Local Government	12,138	658	-11,480	-94.6%
Statewide Expenditures	5,384	7,713	2,329	43.3%
<b>Total</b>	<b>\$249,229</b>	<b>\$227,363</b>	<b>-\$21,866</b>	<b>-8.8%</b>

**General Fund Revenue Sources**

(in millions)

	2021-22	2022-23	<u>Change from 2021-22</u>	
			Dollar Change	Percent Change
Personal Income Tax	\$136,397	\$137,454	\$1,057	0.8%
Sales and Use Tax	32,750	33,991	1,241	3.8%
Corporation Tax	46,395	38,464	-7,931	-17.1%
Insurance Tax	3,468	3,667	199	5.7%
Alcoholic Beverage Taxes and Fees	430	435	5	1.2%
Cigarette Tax	54	49	-5	-9.3%
Motor Vehicle Fees	36	37	1	2.8%
Other	13,108	8,493	-4,615	-35.2%
<b>Subtotal</b>	<b>\$232,638</b>	<b>\$222,590</b>	<b>-\$10,048</b>	<b>-4.3%</b>
Transfer to the Budget Stabilization Account/Rainy Day Fund	-5,682	-2,958	2,724	-47.9%
<b>Total</b>	<b><u>\$226,956</u></b>	<b><u>\$219,632</u></b>	<b><u>-\$7,324</u></b>	<b><u>-3.2%</u></b>

## HEALTH

### Reproductive Health

- Proposes \$57 million General Fund to maintain and improve availability of safe and accessible reproductive health care, including:
  - \$40 million General Fund one-time at the Department of Health Care Services (DHCS) for uncompensated reproductive health care;
  - \$15 million General Fund one-time for the California Reproductive Justice and Freedom Fund at the Department of Public Health (DPH);
  - \$1 million General Fund one-time at DPH for the Comprehensive Reproductive Rights Website; and
  - \$1 million General Fund one-time at DPH for research on unmet needs for reproductive health care.
- Includes \$10.8 million (\$4.2 million General Fund) to increase the Medi-Cal reimbursement rate for doula services from an average of \$450 per birth to \$1,094 per birth.

### Health Care Affordability

- Proposes \$304 million to reinstate California's premium subsidy program, including increased assistance for individuals with incomes between 400 and 600 percent of federal poverty, at Covered California, if federal action is not taken to extend the American Rescue Plan Act (ARPA) subsidies.
- Proposes \$100 million General Fund one-time for the CalRx Biosimilar Insulin Initiative, consistent with the April 1 proposal, to implement partnerships for increased generic manufacturing of essential medicines pursuant to SB 852 (Pan, Chapter 207, Statutes of 2020).
- Includes \$50 million over two years to provide technical assistance to small or under-resourced providers, particularly small physician practices, rural hospitals, and community-based organizations (CBOs), as well as education and technical assistance for entities new to health information exchange.

### Behavioral Health

- Proposes \$290 million General Fund one-time to support a multi-pronged approach to address the urgent youth mental health crisis, including:
  - \$40 million for a community-based suicide prevention program for youth at increased risk, such as Black, Native American, Hispanic, and foster youth;

- \$50 million for grants to schools and CBOs for crisis response and supports following a youth suicide or suicide attempt and creation of a new requirement that suicides and suicide attempts are reportable public health events, triggering screening and resource connections in affected communities;
  - \$85 million over two years for grants for wellness and mindfulness programs in schools and communities and expansion of parent support and training programs;
  - \$15 million to develop and distribute a video series for parents to build their knowledge, tools and capacity to support the behavioral health of their children;
  - \$25 million to identify and support the early career development of 2,500 high school students interested in mental health careers; and
  - \$75 million for digital supports for remote and metaverse based mental health assessments and interventions.
- Proposes funding across various departments for the implementation of CARE Court, including:
    - \$10 million General Fund ongoing for the Department of Aging for the CARE Court Supporter Program;
    - \$15.2 million General Fund in 2022-23, \$1.1 million General Fund annually between 2023-24 and 2026-27, and \$1.3 million General Fund annually ongoing for DHCS to provide training and technical assistance to counties, data collection, and evaluation; and
    - \$39.5 million General Fund in 2022-23 and \$37.7 million ongoing for the Judicial Branch to conduct CARE Court hearings and for self-help centers.
  - Proposes \$41.8 million Opioid Settlement Fund in 2022-23 to address opioid abuse and overdose prevention, including:
    - \$29.1 million (for a total of \$51.1 million) for substance use disorder provider workforce training at DHCS;
    - \$10 million (for a total of \$15 million) for naloxone distribution targeting unhoused populations; and
    - \$2.7 million (for a total of \$40.8 million) for a public awareness campaign targeting youth opioid education and awareness and fentanyl risk at DPH.
  - Includes \$10.9 million General Fund in 2021-22, \$80 million General Fund in 2022-23, and \$40 million General Fund in 2023-24 to continue providing crisis counseling through CalHOPE.



- Proposes \$100 million General Fund for Los Angeles County to support access to community-based treatment and housing for individuals found incompetent to stand trial for misdemeanor charges. This funding replaces lease revenue bond authority that was competitively awarded to LA County through the Board of State and Community Corrections.
- Includes \$15 million General Fund to support the construction of the Village San Francisco, Friendship House facility that will offer health care, behavioral health, and social support services to the Yurok Tribe of California.

### **Unwinding the COVID-19 Public Health Emergency (PHE) Continuous Coverage Requirement**

- Proposes \$176.5 million (\$71.2 million General Fund) to permanently extend the following four PHE flexibilities:
  1. Separate payments to Federally Qualified Health centers for COVID-19 vaccinations;
  2. Presumptive Medi-Cal eligibility for older adults and individuals with disabilities;
  3. Reimbursement rate at 100 percent of Medicare for oxygen and respiratory durable medical equipment; and
  4. Maintain 10 percent rate increase for Intermediate Care Facilities for the Developmentally Disabled (ICF-DD).
- Includes \$146 million (\$73 million General Fund) over two years for counties to address increased Medi-Cal eligibility determination workload.
- Includes \$60 million (\$30 million General Fund) over four years for the Health Enrollment Navigators Project.
- Proposes a new "Coverage Ambassadors" program at DHCS to enlist counties, CBOs, state and local government partners, Medi-Cal managed care plans, providers, and others to be Coverage Ambassadors to amplify messaging on various platforms related to the continuity of coverage for Medi-Cal beneficiaries.
- Includes \$25 million (\$12.5 million General Fund), consistent with the April 1 proposal, for a media and outreach campaign to encourage beneficiaries to update their contact information with counties, and to educate Medi-Cal beneficiaries about their eligibility related to the ending of the PHE.

### **Skilled Nursing Facility Financing Reform**

- Proposes \$280 million (\$132.7 million General Fund) for a new Workforce and Quality Incentive Program for payments to facilities that meet quality benchmarks or make substantial improvements.

### **Hospital and Nursing Facility Worker Retention Payments**

- Includes \$933 million for one-time payments to approximately 600,000 hospital and nursing facility workers who have been at the front-lines of COVID-19 care; the state will provide a baseline payment and will increase the payment up to \$1,500 contingent on an employer match for the additional amount.

### **Equity and Practice Transformation Payments**

- Proposes to add \$300 million (\$150 million General Fund) to the \$400 million (\$200 million General Fund) included in the Governor's Budget, over 5 years, for payments to Medi-Cal providers to advance equity, address COVID-19-driven health disparities, and improve quality measures in children's preventive, maternity, and behavioral health care. This includes:
  - \$100 million (\$50 million General Fund) to support early childhood-focused efforts to encourage health care provider integration with early childhood programs; and
  - \$200 million (\$100 million General Fund) for grants and technical assistance to allow small physician practices to upgrade their clinical infrastructure, such as electronic health record systems, data collection and reporting capabilities, implementation of care management systems, and other activities intended to improve quality of care and reduce costs.

### **Department of Public Health**

- Implements California's SMARTER Plan to continue responding to the COVID-19 pandemic, including:
  - \$100 million for medical surge staffing in 2022-23, however, as of April 1, 2022, facilities are required to reimburse the state for deployed staff;
  - \$40 million for vaccine staff in 2022-23 to prepare for the release of vaccines for children under five, continue second boosters, and increase staffing at pediatric sites;
  - \$530 million in 2022-23 to purchase additional antigen test kits, support school testing, and continue rapid testing and treatment sites;
  - \$93 million in 2022-23 for expanded programming prioritizing vaccination of children under 5, boosters for eligible populations, and mobile vaccination sites.

- \$230 million (including \$130 million included in the Governor's Budget for DPH) for the Office of Community Partnerships and Strategic Communications to support COVID-19 vaccine-related public education and outreach campaigns previously implemented by DPH;
- \$16 million in 2022-23 for enhanced surveillance – tracking and monitoring transmission of COVID-19;
- \$158 million in 2022-23 to implement a Test-to-Treat Program for uninsured and underinsured populations;
- \$68 million for COVID-19 border operations;
- \$183 million for the COVID-19 call center, contractor support and contract costs, and the Public Health Reserve Corps; and
- \$250 million for COVID-19 emergency contingency response needs.
- Includes \$5 million for the Networking California Sickle Cell Care Initiative.
- Includes \$5 million for grants to counties and CBOs to improve capacity, training, and culturally responsive care to the needs and protections of LGBTQ+ youth.

**Department of State Hospitals**

- Proposes \$535.5 million General Fund in 2022-23 and increasing to \$638 million General Fund in 2025-26 and ongoing to support the following proposed Incompetent to Stand Trial (IST) waiting list solutions:
  - Early stabilization and community care coordination;
  - Expand diversion and community-based restoration capacity;
  - Improve IST discharge planning and coordination; and
  - Improve the quality of alienist evaluations.

## **HUMAN SERVICES**

### **Department of Social Services (DSS)**

#### **Foster Care and Child Welfare**

- Includes \$150 million one-time General Fund available over five years for a county-optional program to supplement foster caregiver recruitment and retention. The resources will support statewide training and technical assistance on evidence-based best practices for intensive family finding and engagement services. Each participating county must provide matching funding and build a network of support for youth such that permanent connections and homes are established.
- Includes \$50 million General Fund annually beginning in 2022-23 to assist counties in reducing approval timelines for foster caregiver applications. The resources will allow counties to hire additional staff to reduce pending and probationary resource family applications.
- Includes \$25 million one-time General Fund for prevention, intervention, and services for youth who have been the victims of sex trafficking.
- Includes \$12 million one-time General Fund available over three years to support Promise Neighborhoods in Chula Vista, Corning, Hayward, and Mission.

#### **CalWORKs**

- Includes a 11.1-percent increase to CalWORKs Maximum Aid Payment levels, which is estimated to cost \$296.2 million in 2022-23, revised upward from the January estimate of 7.1-percent. These increased grant costs are funded entirely by the Child Poverty and Family Supplemental Support Subaccount of the Local Revenue Fund. The average monthly CalWORKs caseload is estimated to be 368,633 families in 2022-23.

#### **In-Home Supportive Services (IHSS)**

- Includes \$34.4 million (\$15.4 million General Fund) ongoing to establish a permanent back-up provider system for IHSS recipients to avoid disruptions to caregiving due to an immediate need or emergency. A portion of the funding is for transition activities and is intended to allow counties to maintain existing emergency back-up provider services until October 2022 when the permanent system is implemented. The average monthly caseload in this program is estimated to be 601,000 recipients in 2022-23.

**Immigration Services**

- Includes \$175 million one-time General Fund for Rapid Response efforts to provide additional support for migrant arrivals at the Southern California border and funding for other emergent issues.
- Includes \$2.5 million General Fund one-time in both 2022-23 and 2023-24 for the California Immigrant Justice Fellowship.

**Department of Developmental Services (DDS)**

- Includes \$185.3 million General Fund one-time in 2022-23 and \$1.1 million (\$881,000 General Fund) and seven positions ongoing to address challenges in recruiting and retaining regional center service coordinators and direct support professionals (DSPs), detailed further below.
- Includes \$127.8 million to provide up to two \$500 training stipends (with an additional \$150 for taxes and administration) for DSPs.
- Includes \$22.5 million to implement a three-month training and internship program intended to establish an entry point into DSP career paths. This proposal also includes up to two \$500 retention stipends for workers.
- Includes \$30 million to establish a tuition reimbursement program for regional center service coordinators pursuing advanced degrees in health and human services-related fields.
- Includes \$5 million to pilot a program aimed at developing remote supports using technology systems to increase consumer independence and, when chosen and safe, reduce in-person and around-the-clock services.
- Includes \$6.5 million General Fund in 2022-23, increasing to \$29.5 million General Fund in 2024-25, to support adjustments in identifying children with qualifying signs of developmental delays. This proposal includes statutory changes revising the Early Start qualification threshold from a 33 percent delay to a 25 percent delay in one of the specified assessment areas; separating communication delay assessments into expressive and receptive categories; and highlighting Fetal Alcohol Syndrome as a risk factor for intellectual and/or developmental delays. These changes are intended to engage families sooner with early intervention services. Following Early Start, and depending on subsequent assessments, some children may continue receiving services through Provisional Eligibility or Lanterman Act Services.

- Includes \$11 million General Fund one-time in 2022-23 to increase the resources currently available for DDS to award to regional centers and community-based organizations through its Service Access and Equity Grant Program, which focuses on supporting strategies to reduce disparities and increase equity in regional center services.
- Includes \$7.2 million ongoing (\$4.4 million General Fund) to support participants in the Self-Determination Program by amending statute to move the cost of Financial Management Services out of their individual budgets.

**Department of Aging**

- Includes \$36.3 million General Fund in 2022-23 and ongoing funding to continue the implementation of the Master Plan for Aging for programs administered by the California Department of Aging and the Department of Rehabilitation, detailed further below.
- Includes \$4 million one-time General Fund to develop a statewide roadmap for the Department of Aging, in partnership with the Department of Health Care Services, and to support the development of home and community-based services for individuals regardless of income in underserved areas.
- Transfers \$14.9 million ongoing General Fund and oversight of California's Caregiver Resource Center program from the Department of Health Care Services to the Department of Aging and includes an additional \$545,000 ongoing General Fund for statewide training and technical assistance. California's 11 Caregiver Resource Centers provide critical services to family caregivers including counseling, training, care planning, and respite.
- Includes \$3.5 million one-time General Fund to support a Long-Term Care Ombudsman outreach campaign to raise awareness of the resources available to residents and families in skilled nursing, assisted living, and other residential facilities.
- Includes \$682,000 ongoing General Fund to establish the Aging and Disability Institute of Learning and Innovation (Institute), which will develop a comprehensive adult learning management system to support local network leaders, home and community care providers, volunteers, and the Long Term Care Ombudsman. The Institute will create a platform to develop content and improve training to further quality, efficiency, and access to services for older adults.

- Includes \$400,000 ongoing General Fund to develop strategies, tools, and resources to help older adults, individuals with disabilities, family caregivers, and local partners prepare for and respond to state emergencies and natural disasters.

**Department of Rehabilitation**

- Includes \$10 million one-time General Fund available for three years for the Community Living Fund, administered by the Department of Rehabilitation, which will assist non-Medi-Cal eligible older adults and persons with disabilities, including older adults, in transitioning from nursing homes to independent living.

**Department of Community Services and Development (CSD)**

- Includes one-time funding of \$1.2 billion to help address additional residential energy arrearages accumulated by California households impacted by the COVID-19 Pandemic. Established in the 2021 Budget Act, the California Arrearage Payment Program (CAPP), administered by CSD, directed \$1 billion in federal American Rescue Plan Act funding towards financial assistance to reduce or eliminate past due energy bill balances accrued by customers economically impacted by the COVID-19 Pandemic.
- Includes one-time funding of \$200 million for residential wastewater and water arrearages. The Low-Income Household Water Assistance Program (LIHWAP), administered by CSD, provides financial assistance to low-income Californians to help manage their residential water utility costs.

## **PK-12 PUBLIC EDUCATION AND EARLY EDUCATION**

### **Proposition 98 Funding: Early Education, TK-12, and Community Colleges**

- Provides a total Proposition 98 General Fund funding level of \$96.1 billion in 2020-21, \$110.2 billion in 2021-22, and \$110.3 billion in 2022-23.
- Provides a total of \$110.3 billion for Proposition 98 funding for 2022-23, \$614 million above the Test One guarantee level, for state preschool, TK-12 public education, and community colleges.
- Projects TK-12 ongoing per-pupil spending to be \$22,850 per student, from all funding sources. State TK-12 funding per student grows to approximately \$17,000 in 2022-23.

### **Major PreK-12 Education Proposals**

- Provides an increase in Proposition 98 funding for the Local Control Funding Formula (LCFF), reflecting a 6.56% percent cost-of-living adjustment and an additional \$2.1 billion LCFF base increase in 2022-23. The May Revision brings total LCFF funding to \$73.4 billion annually.
- Augments the January Budget proposal to allow LEAs to use a modified average daily attendance (ADA) calculation for purposes of their 2022-23 LCFF determination, with additional hold harmless protections from attendance drops in the 2021-22 school year, for a total cost of \$3.3 billion on ongoing Proposition 98 and \$463 million one-time.
- Provides \$357.1 million for a 6.56% COLA to statutorily-required TK-12 programs, including nutrition.
- Provides a total of \$9.519 billion to the Public School System Stabilization Account, and maintains the local reserves cap trigger in 2022-23.
- Proposes an \$8 billion one-time Discretionary Block Grant, allocated on a per-pupil basis, for learning recovery, school staff, and wellness needs of students and staff.
- Increases the proposed January Budget investment of \$ 2.225 billion in General Fund for school facilities to \$3.9 billion in General Fund, after the exhaustion of bond funds for new construction and modernization.
- Proposes a one-time Proposition 98 \$1.8 billion deferred maintenance block grant for school facilities.



- Proposes to increase the Community Schools Partnership program from \$3 billion one-time in the 2021-22 Budget Act, to a total of \$4.5 billion one-time Proposition 98 funding.
- Adjusts the January Budget proposal of \$639.2 million General Fund to “rebench” the Proposition 98 guarantee, to \$614 million, for estimated new universal TK enrollments in 2022-23.
- Increases Expanded Learning Opportunity Program funding from \$1.7 billion in the current year to \$4.8 billion in on-going Proposition 98 funding for after school and summer options for all students.
- Increases proposal for one-time Arts funding for Expanded Learning Opportunity Programs to \$1 billion.
- Proposes \$100 million one-time Proposition 98 for the Community Engagement Initiative through the California Collaborative for Education Excellence.
- Increases school nutrition funding for the Universal Meal program to a total of \$611.8 million on-going Proposition 98, and directs any savings for the January Budget proposal for \$450 million one-time for school kitchens.
- Proposes \$15 million in one-time Proposition 98 funding for 6,000 educators to receive reading and literacy instruction certifications.
- Proposes an on-going investment of \$80 million annually in Proposition 98 for the Classified Employee Summer Assistance program.
- Increases the January Budget educator pipeline proposals:
  - \$500 million one-time increase to the 2021-22 Budget’s Teacher Residency program, with a focus on school counselors; \$20 million for a technical assistance center for residency programs.
  - \$85 million one-time for STEM teacher professional development.
  - \$300 million increase to the Educator Effectiveness Block Grant for STEM.
  - \$15 million for the Educator Workforce Investment Grant.
  - \$1.7 million one-time for the Center on Teacher Careers.
- Provides County Offices of Education an increase of \$101.2 million ongoing Proposition 98 General Fund to reflect increasing costs and services.

- Proposes to allow universal TK classrooms to be led by preschool permit-holders with a Bachelor's degree, through the 2025-26 school year.

**Major Early Education and Child Care Proposals**

- Increases overall funding for child care to a total of \$6.3 billion annually, including \$2.7 General Fund for the 2022-23 Budget Year.
- Provides an increase of \$1.09 billion to annualize the 2021-22 Budget Act 120,000 new slots and further increase child care program access to 145,000 slots, with the continued goal from the 2021-22 Budget Act to serve 200,000 more children by 2025-26.
- Provides \$413 million to annualize current year increases in child care funding rates, from the 2021-22 Budget Act.
- Proposes to expand the child care facilities program by \$200.5 million (\$100 million General Fund, \$100.5 million federal funds).
- Proposes a new one-time \$20 million capacity grant for Alternative Payment child care agencies.
- Increases proposed funding for the January Budget's California State Preschool Program adjustment factor changes.
- Extends the family fee waivers and attendance hold-harmless provisions across all child care programs, including California State Preschool programs, until June 2023.
- Proposes 10.5 new positions at the Department of Social Services (DSS) for administering various child care programs.
- Proposes 9.0 positions and \$4.8 million for DSS to develop an integrated child care data system, and \$6.0 million General Fund per year in Fiscal Years 2022-2023, 2023-2024, and 2024-2025 to continue to contract with a vendor to allow child care providers to elect direct deposit payment.

## **HIGHER EDUCATION**

### **University of California**

- Provides \$500 million one-time General Fund to create an institute for immunology and immunotherapy at UCLA.
- Provides \$13 million ongoing General Fund to support the UC Labor Centers.
- Provides \$650,000 ongoing General Fund and \$900 million one-time General Fund to incorporate independent non-profit colleges into the ASSIST program, which provides information to community college transfer students.
- Provides \$5 million one-time General Fund to support the Center for Responsible, Decentralized Intelligence at the Berkeley campus.
- Provides \$5 million one-time General Fund to support the Ralph J. Bunche Center for African-American Studies at UCLA.
- Shifts \$2 million one-time General Fund to UC from the Department of Forestry and Fire Protection to support UC fire advisors.
- Provides \$2.1 million ongoing General Fund to backfill reduced revenue from Proposition 56, which supports graduate medical education.

### **California State University**

- Provides \$80 million one-time General Fund to expand the Brawley Center in Imperial Valley at San Diego State University.
- Provides \$67.5 million one-time General Fund to support the CSU Fullerton Engineering and Innovation Computer Science Hub.
- Adds \$25 million one-time General Fund to support CSU University Farms, bringing total proposed support to \$75 million.
- Provides \$1.5 million ongoing General Fund to support First Star Foster Youth cohorts at the East Bay and Northridge campuses.

### **California Community Colleges**

- Increases base support for colleges by \$375 million ongoing Proposition 98 General Fund, including a \$250 million base increase and a \$125 million increase of the basic allocation within the base.

- Provides a \$750 million one-time Proposition 98 General Fund pandemic block grant fund.
- Adds \$83.5 million ongoing Proposition 98 General Fund to support a 6.56% cost-of-living adjustment.
- Adds \$10 million ongoing Proposition 98 General Fund to foster youth support services.
- Adds \$25 million ongoing Proposition 98 General Fund to the Student Equity and Achievement Program.
- Provides \$2.6 million ongoing General Fund to add 17 positions to the Chancellor's Office.
- Provides \$45 million one-time Proposition 98 General Fund to implement the California Healthy School Meals Pathway program.
- Provides \$16.9 million ongoing Proposition 98 General Fund to increase rates within the apprenticeship program.
- Provides an additional \$1.1 billion for deferred maintenance and energy efficiency projects.
- Provides \$403 million in general obligation bond funding to support the construction phase of 19 projects, design phase of 2 projects, and working drawings and construction phases for 1 project.
- Provides \$10 million ongoing Proposition 98 General Fund to support the Classified Employee Summer Assistance Program.
- Provides \$500,000 ongoing Proposition 98 General Fund to support the foster parent education program.

**California Student Aid Commission**

- Provides \$414,000 ongoing General Fund to support three new positions at the commission.

**Scholarshare Investment Board**

- Provides \$1.5 million ongoing General Fund and \$299,000 one-time General Fund to the Scholarshare Investment Board to further support the California Kids Investment and Development Savings (CalKIDS) program.

**California State Library**

- Provides \$13.5 million one-time General Fund to expand the availability of state parks passes at local libraries.
- Adds \$1.4 million one-time General Fund to support online education and job training programs.
- Provides \$570,000 ongoing General Fund to support the automated loan system.
- Provides \$363,000 ongoing General Fund to support increased workload.
- Provides \$335,000 ongoing General Fund to support increased outreach to underserved and multilingual communities.

**Hastings College of the Law**

- Provides \$90 million one-time General Fund to support the renovation of student housing at 100 McAllister Street.
- Provides \$885,000 one-time General Fund to support costs associated with renaming the college.

**Bureau for Private Postsecondary Education**

- Provides \$24 million one-time General Fund to stabilize bureau funding.

## **CLIMATE CHANGE**

### **Water Resilience and Drought Response**

- Adds \$1.55 billion for drought response and resilience including:
  - \$180 million for the small water suppliers drought relief program and urban water management grants program.
  - \$20 million for a water transfer pilot program.
  - \$44 million for water rights modernization.
  - \$23 million for drought food assistance.
  - \$116.8 million for data, research, and communications.
  - \$161 million for drought technical assistance and emergency response.
  - \$8 million for drought permitting, compliance curtailments, and water rights enforcement.
  - \$400 million for the drinking water and wastewater infrastructure and state revolving fund.
  - \$100 million for water recycling and groundwater cleanup.
  - \$30 million for aqueduct solar pilot.
  - \$26 million for Sustainable Groundwater Management Act (SGMA) implementation.
  - \$60 million for agriculture and delta drought response programs.
  - \$20 million for relief for small farmers.
  - \$15 million for on farm use and agricultural technical assistance.
  - \$40 million for the state water efficiency and enhancement program (SWEEP).
  - \$26 million for water conservation programs.
  - \$100 million for fish and wildlife protection.
  - \$25 million for improving drought resilience at state owned land and migratory bird habitat.
  - \$7.3 million for studying salmon and tribal co-management.
  - \$17 million for hatchery upgrades.
  - \$130.6 million for aquatic habitat.
  
- Requests \$500 million General Fund in 2025-2026 for a multi-year commitment to water storage.
  
- Allocates \$1.2 million General Fund ongoing for Judicial Council to address climate, environmental, and water-related legal disputes.
  
- Appropriates \$75 million General Fund to create a grant program to assist small agricultural businesses impacted by drought.

**Extreme Heat**

- Allocates \$300 million over two years as part of last year's budget agreement, including:
  - \$170 million for community resilience centers.
  - \$50 million for trees at schools and transportation corridors.
  - \$26 million for protecting vulnerable populations.
  - \$7 million for pests and agriculture sector.
  - \$20 million for public awareness.
  - \$17 million for workforce development.

**Nature Based Solutions**

- Appropriates \$768 million over two years as part of last year's budget agreement, including:
  - \$245 million for conservation and land acquisition at the Wildlife Conservation Board.
  - \$90 million for wetlands protection.
  - \$20 million for multibenefit land repurposing.
  - \$10 million for healthy soils.
  - \$10 million for wildland grazing.
  - \$120 million for conservancies.
  - \$50 million for wildlife corridors.
  - \$36 million for natural community conservation program planning and land acquisition.
  - \$20 million for technical assistance for climate smart land management.
  - \$5 million for resource conservation investments.
  - \$52 million for conservation corps crews.
  - \$100 million for tribal partnerships.
  - \$7.5 million for a compost pilot.
  - \$2.5 million for partnerships and website development.

**Coastal Protection**

- Proposes \$50 million General Fund for the State Coastal Conservancy to purchase property.

**Climate Change Research**

- Provides \$18.3 million General Fund for the integration and analysis of climate change data.

**Wildfire and Forest Resilience**

- Allocates \$83.1 million General Fund to augment CAL FIRE's fire protection resources through December 2022.
- Provides \$104.4 million General Fund (\$49.9 million ongoing) and 270 positions, phased in over four years, to provide the necessary CALFIRE staffing component of two Governor's Budget fire crew proposals. This includes Conservation Corp crews and California Military Department crews.
- Funds \$37.8 million (\$29.3 million General Fund) in 2022-23, \$35.6 million (\$27.5 million General Fund) ongoing and 190 positions to enhance staffing, improve operational effectiveness, and provide critical administrative and program support necessary to sustain CAL FIRE's direct mission functions.
- Appropriates \$8 million General Fund and 34 positions in 2022-23, \$7.6 million in 2023-24 and 2024-25, and \$968,000 and five positions ongoing to reflect the staffing components of two Governor's Budget proposals for Emergency Surge Capacity and Response Enhancements.

**Cap and Trade**

- Appropriates \$100 million GGRF to expand satellites for methane observations.
- Provides \$20 million GGRF for AB 617.

**Parks**

- Allocates \$83.5 million General Fund to increase access to State parks, including:
  - \$15 million for K-12 and Interpretive Program Enrichment.
  - \$40 million for the Colonel Allensworth State Park visitor center.
  - \$15 million for the Department of Parks and Recreation to partner with the California African American Museum (CAAM) to better tell the inclusive story of black history in state parks.
  - \$13.5 million to expand the pilot program for free parks passes at libraries.



## **TRANSPORTATION**

### **Early Broad-Based Relief Package**

- Provides one-time refund of \$400 to each eligible owner of a registered vehicle and caps the number of rebates to two per registered vehicle for a total of \$800, excludes fleets and corporate-owned vehicles, and excludes vehicles of a certain value. Estimates to return \$11.5 billion to taxpayers.
- Includes a 12-month pause, effective October 1, 2022, on the General Fund portion of the sales tax rate on diesel fuel. Estimates this pause to reduce revenues by \$327 million in 2022-23 and \$112 million in 2023-24. May Revision proposes to continue making transfers from the General Fund to the Public Transportation Account, thereby having no impact on transportation funding.
- Proposes to accelerate its \$10 billion zero-emission vehicle (ZEV) plan to move CA toward clean transportation options.
- Reflects an additional \$500 million for Active Transportation Program as part of the early broad-based relief package released in March 2022.
- Reflects \$750 million in incentive grants to transit and rail agencies to provide free transit for Californians for three months, as part of the early broad-based relief package released in March 2022.

### **Federal Infrastructure Investment and Jobs Act (IIJA)**

- Includes 295 positions and \$50 million annually for Caltrans to administer and implement the state and local transportation funding provided by the IIJA.
- Includes 626 positions and \$144 million to provide engineering and design support associated with the increased project workload.

## **ENERGY**

### **Utility Debt Relief**

- Provides \$1.2 billion for residential electric utility debt arrearages to the Department of Community Services and Development.
- Funds \$200 million for residential water and wastewater arrearages to the Department of Community Services and Development.

### **Energy Reliability, Relief, and Clean Energy Investments**

- Moves two green tax credit proposals from Go-BIZ to the Energy Commission as a grant program with \$1.05 billion over four years, with \$100 million in 2022-2023.
- Provides \$8.05 billion over multiple years, with \$2.250 billion in 2021-2022 and \$2.05 billion in 2022-2023, including:
  - \$1.2 billion for rate relief mentioned above.
  - \$30 million for capacity building grants.
  - \$4.250 billion for investments in strategic reliability assets.
  - \$950 million for distributed electricity backup assets.
  - \$970 million for residential solar and storage.
  - \$250 million for transmission and energy financing.
  - \$295 million for demand side grid support.
  - \$100 million for carbon removal.
  - \$5 million for energy data infrastructure and analysis.

### **Lithium Valley Development**

- Accelerate development by streamlining geothermal permitting, including strong environmental protections, in coordination with California Native American tribes.
- Provide \$5 million to support the development of geothermal energy and lithium recovery in the Salton Sea region through evaluation, community planning and engagement.
- Incentivize projects that manufacture, process, or recover lithium through a sales and use tax exclusion, making \$45 million available over three years for these incentives.
- Provide for local governments and residents to benefit from the development and extraction of lithium by establishing a tax per ton of lithium extraction, placing reporting and fee requirements on lithium extraction activities, and providing funds to contribute to the maintenance, operations, and restoration of Salton Sea, and grants to support disadvantaged communities in the region.

## **GENERAL GOVERNMENT**

### **Governor's Office of Business and Economic Development**

- Includes \$500 million (one-time General Fund) in 2022-23 for the California Small Business Hard-Hit Industries Grant Program administered by CalOSBA to provide additional relief to small business most affected by the pandemic. Eligible small business can receive grants ranging from \$10,000 to \$50,000.
- Provides \$75 million (one-time General Fund) in 2022-23 for the California Small Agricultural Business Drought Relief Grant Program to provide direct assistance to eligible agriculture-related businesses that have been affected by severe drought conditions. Grants range from \$30,000 to \$50,000 depending on annual gross revenue decline and will be prioritized on businesses located in regions hardest hit by drought. Program will be administered by CalOSBA in consultation with California Department of Food and Agriculture.

### **Department of Fair Employment and Housing (DFEH)**

- Proposes \$889,000 limited-term General Fund for the DFEH to create a community conflict-resolution and conciliation team to identify and provide conciliation services to communities affected by hate incidents or other discriminations.
- Provides \$1.8 million (General Fund) to implement AB 1126 (2021), the Commission on State of Hate.
- Proposes statutory changes to rename DFEH to the California Civil Rights Department to better reflect the department's existing roles and responsibilities.

### **Emergency Rental Assistance**

- Provides \$2.7 billion (one-time General Fund) in the current year for rental assistance through state and local programs.

### **Housing**

- Provides an additional \$500 million over 2023-24 and 2024-25 for Adaptive Reuse program. This is in additional to the \$100 million provided in the January Budget.

### **Homelessness**

- Provides an additional \$150 M for homekey funding for a total to 2.9 B over two years.

- Includes \$500 million to house unsheltered individuals on state-owned land through grants to local governments.
- Adds \$3 million to provide transitional housing to youth discharged from CDCR's Division of Juvenile Justice.
- Provides that the Administration is open to discussions on HHAPP funding to do the Administration's highest priorities needs, including encampment resolution, Homekey operating sustainability and CARE Court housing support.

**Department of Technology**

- Expands Broadband Middle-Mile funding by \$1.1 billion in future years to meet revised estimates of demand for these projects. Of this amount, \$600 million would be available in 2023-24 and \$500 million would be budgeted for 2024-25.
- Includes \$55.7 million one-time and \$711,000 ongoing to support data modernization funding.

**Office of Data and Innovation**

- Proposes to consolidate the proposed Governmental Excellence and Transformation Center, the Office of Digital Innovation, and the CalData program into a new Office of Data and Innovation, which would receive \$20 million in one-time funding in 2022-23 with \$4.8 million and 6 position ongoing.

**Office of Planning and Research**

- Proposes \$206 million in additional outreach activities for the newly proposed Office of Community Partnerships and Strategic Communications. This includes:
  - \$100 million in one-time COVID-19 outreach activities;
  - \$100 million for one-time drought resilience and response outreach and "Save Our Water" campaign; and
  - \$6 million for extreme heat outreach, with \$14 million additionally for this purposed
- Proposes making the California For All College Service Program an permanent, ongoing program at \$73.1 million ongoing, beginning in 2024-25.
- Allocates an additional \$170 million one-time over two years for the Strategic Growth Council to build or upgrade extreme heat resilience centers.

**State Liabilities**

- Shifts \$2.7 billion in Lease-Revenue bond funded projects to General Fund to reduce state General Fund liabilities.
- Proposes to repay \$2.5 billion in callable General Obligation Bonds early, to further reduce state liabilities.

**Federal COVID-19 Relief Funding**

- Shifts \$2 billion in State Fiscal Recover Funds from various programs in GoBiz, and Student Aid to General Fund and uses the federal funds to offset previous state eligible revenue losses. This allows the State to claim these federal funding earlier.

**Department of Consumer Affairs**

- Provides \$4.3 million one-time special fund to continue business modernization efforts for five boards and bureaus.

**Bureau of Private Postsecondary Education**

- Provides \$24 million General Fund over three years to provide the Bureau with more stable funding while the Bureau develops an improved fee model for its licensees.

**Apprenticeship Programs**

- Increases a one-time Prop 98 General fund allocation by \$45 million to implement the California Healthy School Meals Pathway Program, which is a pre-apprenticeship, apprenticeship, and fellowship workforce training pipeline pilot program for school food service workers.
- Increases an ongoing Prop 98 General Fund allocation by \$16.9 million to align the apprenticeship program Related and Supplemental Instruction (RSI) rate with the student Centered Funding Formula credit rate.

**Climate Workforce**

- Provides \$24.5 million General Fund to the Department of Industrial Relations to conduct targeted outreach and education in multiple languages for employers and employees about heat-related illness and wildfire smoke hazards.
- Provides \$17 million General Fund over two years to the California Workforce Development Board to expand high road training partnerships in industry sectors that support the state's response to extreme heat, including heating, ventilation

and cooling, cool roofs, urban forestry, climate smart natural resource management.

### **Other Workforce Proposals**

- Increase one-time General Fund by \$1.4 million to support online job training and workforce development resources targeting older adults and veterans at California's local libraries, building upon the Governor's Budget investment of \$8.8 million to support two additional years of free online job training and workforce development programs available through public libraries.
- Allocates \$29.1 million for substance use disorder provider workforce training at the Department of Health Care Services, for a total of \$51.1 million for this program.
- Allocates \$127.8 million to provide up to two \$500 training stipends (with an additional \$150 for taxes and administration) for direct support professionals (DSPs). Also includes \$22.5 million to implement a three-month training and internship program intended to establish an entry point into DSP career paths.

### **Employment Development Department**

- Provides one-time \$136 million, \$68 of which General Fund, to modernize EDD. This will be a five-year effort on benefit systems, call center improvements, simplifying form and notices, user testing and engagement, developing data analysis tools and upgrading department training tool.
- Provides \$23.6 million (\$10.9 million General Fund) in 2022-23, \$12 million (\$5.1 million General Fund) in 2023-24, and \$9 million (\$3.5 million General Fund) in 2024-25 to support ongoing EDD fraud investigation and interdiction efforts. This includes identify theft awareness and prevention campaigns, funding for District Attorney's Offices to prosecute fraud cases, and expanded fraud detection programs.

### **Employee Compensation and Collective Bargaining**

- Increases employee compensation by \$217.6 million in 2022-23 and \$143 million ongoing to reflect updated estimates to dental and vision premium rates, changes to enrollment in health and dental plans, updated employment information for salary increases and other post-employment benefit contributions.
- Decrease General Funding by \$329 million in 2022-23 for retiree health and dental benefits reflecting lower-than-expected retirements and updated enrollment information.

- Sets aside \$5.2 billion in the prefunding trust fund to pay for future retiree health benefits.

**State Retirement**

- Decreases CalPERS state contributions by \$215.6 million (\$180.1 million General Fund) in 2022-23 relative to the Governor's Budget. The decrease is a result of CalPERS' adjustment to the state's contribution rates, which is largely driven by the normal progression of the existing amortization and smoothing policy.
- Estimates \$ 2.9 billion in one-time Proposition 2 debt repayment funding in 2022-23 to further reduce the unfunded liabilities of the CalPERS state plans.
- Decreases Judges' Retirement System (JRS) II decreased by \$3.2 million General Fund in 2022-23 relative to the Governor's Budget, due mainly to a decrease in the employer normal cost as a percentage of payroll.

**Cannabis Tax Reform**

- Sets the cultivation tax rate at zero beginning July 1, 2022.
- Shifts the point of collection and remittance for excise tax from distribution to retail on January 1, 2023, maintaining a 15 percent excise tax rate.
- Sets Allocation 3 funding for youth education/intervention/treatment, environmental restoration, and state and local law enforcement programs at a baseline of \$670 million annually for three years. Allocates up to \$150 million one-time General Fund to be available as needed through 2025-26 to backfill Allocation 3 funding, along with the authority to increase the excise tax rate through 2024-25 if tax revenues fall below the baseline for Allocation 3.
- Provides additional tax enforcement policies to increase tax compliance and collection and reduce unfair competition.

**Local Jurisdiction Retail Access Grant Program**

- Includes \$20.5 million one-time General Fund to establish a cannabis local jurisdiction retail access grant program. The goal of this grant program is to aid localities with the development and implementation of local retail licensing programs and to support consumers in gaining access to regulated and tested products through an expansion of California's legal marketplace.

**Allocation 3 Funding**

- Estimates \$670 million in Cannabis Tax Fund dollars will be available, and provides that the structure of these allocations will remain unchanged from 2021-22:
  - Education, prevention, and treatment of youth substance use disorders and school retention—60 percent (\$401.8 million)
  - Clean-up, remediation, and enforcement of environmental impacts created by illegal cannabis cultivation—20 percent (\$133.9 million)
  - Public safety-related activities—20 percent (\$133.9 million)

**CalVET**

- Provides \$5 million for an awareness campaign that educates veterans and the broader community to inform the knowledge, behaviors, and attitude surrounding veteran suicide.
- Provides \$5 million to establish a multidisciplinary team of professionals and stakeholders focusing on the identification and collection of veteran-specific suicide data, and coordinate a statewide assessment of veteran's mental health and provide recommendations on future prevention, intervention, and post-intervention strategies.
- Provides \$40 million to provide competitive grants to local jurisdictions that provide matching grants to expand mental health service capacity by supporting a network of veteran-specific mental health services throughout the state. The intent of this program is to assist the creation of self-sustaining, ongoing programs that support veterans and maximize available federal programs (U.S. Veteran's Affairs and Medi-Cal).

**State Parks**

- Allocates \$15 million one-time General Fund for outdoor environmental education and access programming through the expansion of existing K-12 programs. These programs will support outdoor environmental education for underserved youth statewide.
- Provides \$40 million one-time General Fund for the construction of a new visitor center and other interpretive enhancements at the Colonel Allensworth State Park. The new visitor center aims to tell the story of the African American community and the contributions of its founders and members.



- Allocates \$15 million one-time General Fund for the Department of Parks and Recreation to partner with the California African American Museum (CAAM) to tell the story of black history in state parks.
- Provides \$13.5 million one-time General Fund to expand a pilot program to provide state park passes for check out at local libraries. This funding will increase the number of passes available to local libraries.

## **TAXATION AND REVENUE**

### **Revenues**

- Provides changes in the three largest tax sources over the budget window (2020-21 through 2022-23) are as follows:
  - Personal income tax revenues are higher by over \$23 billion due largely to very strong tax receipts related to the 2021 tax year and a significant upgraded forecast for nominal wage growth in 2022 and 2023.
  - Sales tax revenues have been revised upward by almost \$3.7 billion due to strong tax receipts and a higher inflation forecast.
  - Corporation tax revenues are up \$28.1 billion based on very strong cash receipts, stronger corporate profits in 2021 than projected at Governor's budget, and stronger participation in the pass-through entities (PTE) elective tax.

**2022-23 May Revision  
General Fund Revenue Forecast**  
(Dollars in Millions)

Source	2022-23 Governor's Budget	May Revision	Change From Governor's Budget Forecast	
<b>Fiscal 2020-21: Final</b>				
Personal Income Tax	\$128,226	\$128,856	\$630	0.5%
Sales & Use Tax	29,066	29,073	7	0.0%
Corporation Tax	22,793	22,591	-202	-0.9%
Insurance Tax	3,139	3,139	0	0.0%
Alcoholic Beverage	415	415	0	0.0%
Cigarette	60	60	0	0.0%
Pooled Money Interest	192	192	0	0.0%
Other Revenues	2,201	2,485	284	12.9%
<b>Subtotal</b>	<b>\$186,092</b>	<b>\$186,810</b>	<b>\$718</b>	<b>0.4%</b>
Transfers <sup>v</sup>	8,040	7,764	-276	-3.4%
<b>Total</b>	<b>\$194,132</b>	<b>\$194,575</b>	<b>\$442</b>	<b>0.2%</b>
<b>Fiscal 2021-22</b>				
Personal Income Tax	\$120,873	\$136,397	\$15,524	12.8%
Sales & Use Tax	\$30,866	\$32,750	1,884	6.1%
Corporation Tax	\$32,863	\$46,395	13,532	41.2%
Insurance Tax	\$3,448	\$3,468	19	0.6%
Alcoholic Beverage	\$423	\$430	7	1.6%
Cigarette	\$58	\$54	-4	-6.1%
Pooled Money Interest	\$182	\$237	55	30.3%
Other Revenues	\$5,116	\$3,050	-2,066	-40.4%
<b>Subtotal</b>	<b>\$193,829</b>	<b>\$222,782</b>	<b>\$28,952</b>	<b>14.9%</b>
Transfers <sup>v</sup>	2,840	4,174	1,334	47.0%
<b>Total</b>	<b>\$196,669</b>	<b>\$226,956</b>	<b>\$30,286</b>	<b>15.4%</b>
<b>Fiscal 2022-23</b>				
Personal Income Tax	\$130,269	\$137,454	\$7,186	5.5%
Sales & Use Tax	\$32,208	\$33,991	1,783	5.5%
Corporation Tax	\$23,732	\$38,464	14,732	62.1%
Insurance Tax	\$3,541	\$3,667	127	3.6%
Alcoholic Beverage	\$421	\$435	14	3.3%
Cigarette	\$51	\$49	-2	-4.7%
Pooled Money Interest	\$164	\$478	314	191.5%
Other Revenues	\$7,249	\$8,428	1,179	16.3%
<b>Subtotal</b>	<b>\$197,634</b>	<b>\$222,966</b>	<b>\$25,332</b>	<b>12.8%</b>
Transfers <sup>v</sup>	-1,915	-3,333	-1,418	74.0%
<b>Total</b>	<b>\$195,718</b>	<b>\$219,632</b>	<b>\$23,914</b>	<b>12.2%</b>
<b>Three-Year Total</b>			<b>\$54,642</b>	

Totals may not add because of rounding.  
<sup>v</sup>Includes transfers to Budget Stabilization Account for each year.

**CalCompetes**

- Extends the CalCompetes Tax Credit program through 2027-28 at the current level of \$180 million per year.
- Provides \$120 million (one-time General Fund) for a second year of the CalCompetes Grant Program. Funding may also be used to provide required matching funds for businesses to qualify for federal funds to address the state and national security priority of increasing domestic semiconductor research, development and manufacturing.
- Both programs shall provide additional consideration to companies that relocate to states that have enacted anti-LBGTQ+ and reproductive rights law.

**Paycheck Protection Program Grants**

- Proposes full conformity of the PPP grants to California businesses that are not currently covered by conformity. It is estimated to be \$450 million reduction in revenue over the next five years, including \$160 million in each 2021-22 and 2022-23.

**Mainstreet Tax Credit**

- Proposes statutory changes to the Mainstreet Tax Credit that would allow taxpayers that did not claim the credit on the original return to claim the credit in the subsequent five tax years.
- The Mainstreet tax credit was created to provide relief to small businesses that were harmed by the pandemic and hired and retained new employees in the second half of 2020 and the first half of 2021. Under current law, to claim the credits, businesses were required to reserve their qualified credit amount with the California Department of Tax and Fee Administration and then subsequently claim the credit on a tax return. Under current law, these businesses are precluded from claiming any of the credit in future years.

**California Alternative Energy and Advanced Transportation Financing**

- Expands the CAEATFA program by \$15 million from 2022-23 through 2024-25 dedicated to equipment purchases related to the extraction or processing of lithium, as well as equipment purchases related to manufacturing with lithium, with additional costs to backfill local revenues consistent with the base program.

**Lithium Tax**

- Provides a tax on lithium extraction.

**PUBLIC SAFETY****California Department of Corrections and Rehabilitation**

- Includes total funding of \$13.9 billion (\$13.3 billion General Fund and \$603.2 million other funds) for CDCR in 022-23.
- Projects that the average daily population of adult incarcerated population for 2021-22 is 99,590, a decrease of 5 percent since the Governor's Budget. Spring projections indicate the prison population is temporarily trending upward and is expected on increase by 3,342 people between 2021-22 and 2022-23, primarily because CDCR resumed intake at county jails. The population is then projected to resume a long-term downward trends in 2023-24, reaching 95,655 in 2024-25. Projects the overall parolee averaged daily population to be 43,591 in 2022-23, an increase of 628 people from the Governor's Budget and is then expected to decline to 37,818 by June 30, 2026.
- Estimates a total of 1,500 incarcerated individuals in county jails awaiting transfer to state prison. Estimates this backlog will be cleared by June 2022.
- Includes a total of 240.1 million for COVID-19 prevention and response activities, a decrease of \$184.6 million compared to the Governor's Budget.
- Projects the possibility to close three additional state prisons by 2024-25 in order to right size California's prison system to reflect the needs of the state.
- Includes \$6 million one-time General Fund to enhance CDCR's data collection and evaluation capabilities regarding the outcomes of formerly incarcerated individuals.
- Increases the Utilities and Waste Disposal proposal by \$6.9 million ongoing General Fund to address a budget shortfall in 2022-23.
- Reduces the Staff Misconduct Investigation Expansion proposal in the Governor's Budget by one-time \$1.2 million General Fund in 2022-23 and an ongoing reduction of \$178,000.
- Proposes the following capital outlay investments:

- CA Institution for Men, Chino: 50 bed mental health crisis facility: Reverts \$91.03 million and provides \$120.58 million and reappropriates \$349,000 for working drawings.
- Health Care Facility Improvement Program Supplemental Appropriation: \$67.59 million, increasing the total estimated project cost to \$1.403 billion.
- Reverts \$10.99 million and propose \$18.38 million bringing the total estimated project cost to \$21.15 million and reappropriates \$541,00 for working drawings phase for the following projects:
  - RJ Donovan Correctional Facility, San Diego, Medication Distribution Improvements Phase II
  - California State Prison Lancaster: Medication Distribution Improvements Phase II
  - Correctional Training Facility, Soledad: Medication Distribution Improvements Phase II
  - California Institution for Women: Medication Distribution Improvements Phase II
  - California State Prison, Corcoran: Medication Distribution Improvements Phase II
- California Institution for Men, Chino: Air Cooling Facility: Reverts \$13.89 million and proposes \$18.46 million, and reappropriates \$554,000 for working drawings phase.
- CA Health Care Facility: Facility B Individual Exercise Yards (withdrawal)
- California State Prison, Lancaster: Med Prep Room Unit D5 (withdrawal)
- CA Substance Abuse Treatment Center: Air Cooling Facility (withdrawal)
- California State Prison, Sacramento: New Cognitive Behavioral Treatment Classrooms (withdrawal)
- San Quentin Cognitive Behavioral Treatment Space: \$166,000 Reappropriation
- Pelican Bay Fire Suppression Upgrade: \$428,000 Reappropriation.

**Division of Juvenile Justice**

- Projects an estimated average daily population of 641 youth in 2021-22 and 430 youth in 2022-23. Estimates 300 youth remaining in DJJ custody on June 30, 2023.
- Reduces the DJJ budget by \$6 million General Fund and 32.5 positions in 2021-22, and a decrease of \$15.7 million and 95 positions in 2022-23. Reflects a decrease of \$87.8 million and 554.7 positions in 2023-24 and ongoing.
- Provides \$3 million one-time General Fund to provide transitional housing to youth discharged by the Board of Juvenile Hearings in 2022-23.

- Requests provisional language and statutory changes to maintain program operations at the Pine Grove Youth Conservation Camp to identify CDCR as the successor entity due to DJJ's closure.

**Office of Inspector General**

- Provides \$5.6 million General Fund in 2022-23 and \$11.4 million ongoing for the OIG to monitor staff complaints that are handled by the prisons and to reflect refinements to the staffing levels for the OIG to monitor CDCR's centralized screening process and investigations. With this augmentation to the Governor's Budget, this provides \$7.9 million General Fund in 2022-23 and \$15.1 million ongoing thereafter.

**Judicial Branch**

- Provides \$20 million for Proposes an augmentation of \$2.6 million one-time General Fund for the San Diego County Superior Court Hall of Justice to address increased project costs due to inflation.
- Proposes an augmentation of \$1.8 million one-time General Fund to address the increased project costs at the San Diego County Superior Court East County Regional Center.
- Proposes an augmentation of \$11.3 million one-time general fund to address increased project costs at the Orange County Superior Court Central Justice Center.
- Provides \$1.2 million ongoing General Fund to establish a unit within the Judicial Council to provide training, technical assistance, and legal support to judicial officers and court personnel on water law, climate change, and environmental issues.
- Provides \$39.5 million General Fund in 2022-23 and \$37.7 million ongoing to conduct CARE court hearings and provide resources to self-help centers.
- Provides ongoing \$33.7 million General Fund to continue backfilling expected revenue decline in the Trial Court Trust Fund, bringing the total to \$151.5 million.
- Reduces the AB 177 Trial Court backfill by \$3.1 million ongoing General Fund for revenue losses. The associated revenue loss for all courts totals \$10.3 million instead of the \$13.4 million estimated in the Governor's Budget.
- Removes the \$40 million one-time General Fund backfill of the State Court Facilities Construction Fund backfill that was included in the Governor's Budget as the backfill is no longer needed.

- Proposes reappropriation of \$328,000 for the working drawings phase of the Butte County Juvenile Hall Addition.
- Requests \$66.76 million General Fund to pay off a General Fund loan that is currently outstanding for the Imperial County—New El Centro Courthouse project.
- Proposes reappropriation of \$3.1 million for the performance criteria phase of the Monterey County—New Fort Ord Courthouse.
- Proposes \$24.33 million General Fund for facility modifications to accommodate new judgeships in existing or leased trial court facilities.
- Proposes \$29.61 million General Fund for the build out of shelled courtrooms and support spaces for new judgeships in existing trial court facilities.
- Proposes reappropriation of \$479,000 for the San Bernardino County Juvenile Dependency Courthouse.
- Proposes \$176.31 million General Fund to pay off a General Fund loan that is currently outstanding for the construction phase of the Shasta County—New Redding Courthouse project.
- Requests reversion of \$202.9 million and proposes \$223.4 million for courthouse projects in Lake, Mendocino, Stanislaus, and Butte counties.

**Office of Emergency Services**

- Proposes \$8.1 million General Fund, of which \$5.2 million is ongoing, and 19 positions for the California State Warning Center to better analyze, monitor, coordinate, and inform decision makers on critical emergency incidents and disasters.
- Proposes \$114.3 million one-time General Fund to safeguard the availability and delivery of emergency supplies and commodities, including providing warehouse space, purchase new and replace expiring personal protective equipment, increase commodity supply for an all-hazard event, and secure logistical equipment.
- Proposes \$19 million General Fund, of which, \$10.5 million is ongoing, and eight positions to modernizes OES' technology and data capabilities through new technology and updating outdated systems.
- Proposes \$7.2 million General Fund, of which \$5.8 million is ongoing, and 23 positions to provide a greater selection and more relevant courses for emergency management professions and emergency responders at the California Specialized Training Institute.



- Proposes \$5.4 million General Fund one-time for the design of a permanent Southern Regional Emergency Operations Center at the former Fairview Developmental Center in Costa Mesa.
- Proposes \$25 million ongoing General Fund and five positions to provide local law enforcement support during disasters and emergencies.
- Proposes \$50 million one-time General Fund to provide security assistance through the Nonprofit Security Grant Program.
- Provides \$5 million one-time General Fund to support the Internet Crimes Against Children Taskforce.
- Proposes one-time \$250,000 General Fund for a feasibility study to acquire land and construct a Coastal Regional Emergency Operations Center.
- Proposes one-time \$275,000 General Fund for a feasibility study to acquire land and construct an Inland Regional Emergency Operations Center.

**Local Public Safety: Board of State and Community Corrections**

- Provides \$50 million one-time General Fund for grants to improve general officer health and well-being, build resiliency, decrease stress and trauma, and improve community trust and relations.
- Provides \$20 million one-time General Fund to establish a competitive grant program for counties create mobile probation centers, modeled after a program established in Placer County.
- Provides \$12 million one-time General Fund over three years to establish a competitive grant program to assist California tribes locate and identify missing indigenous persons.
- Estimates net General Fund savings of \$161.1 million as a result of Proposition 47, an increase of \$13.8 million over the 2022-23 Governor's Budget projection.
- Reduces the post release community supervision funds by \$2.3 million from the Governor's Budget projections, bringing the total to \$20.9 million one-time General Fund.
- Provides \$123.8 million General Fund annually through 2024-25 for the Community Corrections Performance Incentive Grant.

- Proposes conversion of \$20.85 million lease revenue bonds to General Fund for the Trinity County Jail Project.

**Department of Justice**

- Provides \$7.9 million General Fund in 2022-23 and \$6.7 million ongoing to establish the Fentanyl Enforcement Program, bringing the total additional resources for DOJ task forces to \$18.9 million in 2022-23.
- Adjusts the Medi-Cal Fraud and Elder Abuse proposal to \$7.8 million (\$6.1 million Federal Trust Fund, \$1.2 million False Claims Act, and \$474,000 General Fund) in 2022-23, and \$7.1 million in 2023-24 and ongoing to fully maximize DOJ's federal grant award.
- Provides \$1.5 million one-time General Fund for the Reparations Task Force for external consultants to develop and finalize task force recommendations.

**Victim Services**

- Provides \$30 million one-time General Fund over three years to establish an innovative pilot program to provide victim services statewide, including operating satellite offices for trauma recovery center or other victims services providers in hard to reach and or rural areas.
- Provides \$3 million one-time Restitution Fund to conduct an outreach campaign to raise awareness of statewide victim support services, while targeting hard to reach populations.

**Military Department**

- Increases the Governor's Budget proposal to provide \$20 million for drug interdiction efforts to \$30 million (\$15 million 2022-23 and \$15 million in 2023-24).