

California Budget Highlights FY 2023-2024

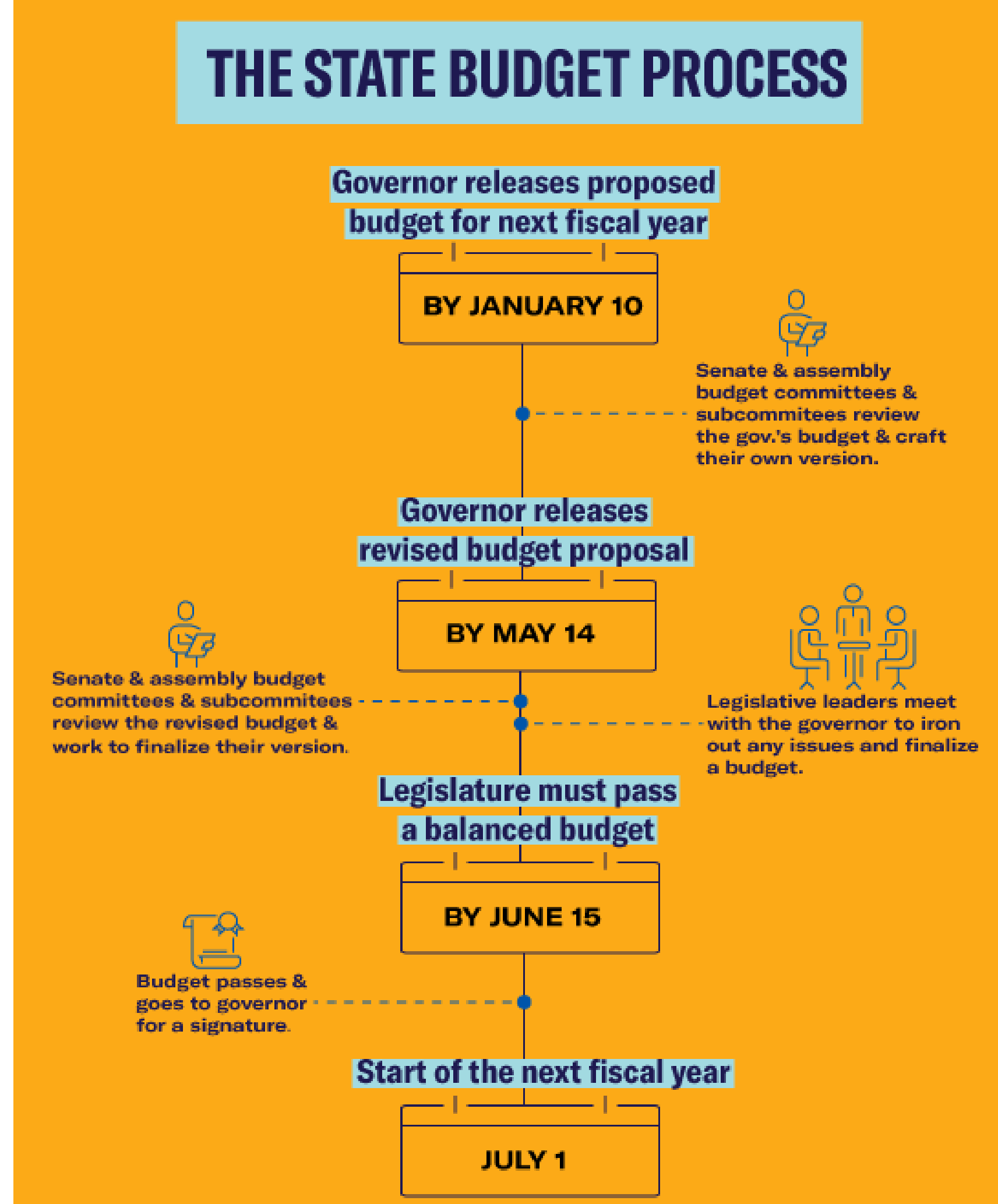
OSSS LPT | August 1, 2023



THE BUDGET PROCESS

The final state budget is an agreement between the Legislature and the Governor.

- Legislature needs to pass a budget by June 15th
- Governor must sign final budget by June 30th
- July 1st marks the start of the new fiscal year



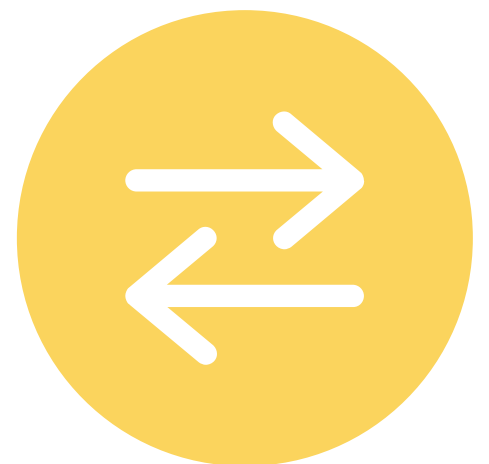
BUDGET PACKAGE

- \$310.8 billion spending plan protecting core programs
- Covers a \$31.7 billion shortfall
- Maintains budgetary reserves-- \$37.8 billion
- Solutions for Balanced Budget:
 - Fund shifts
 - Reductions & Pullback
 - Delays
 - Revenue and Internal Borrowing
 - Trigger reductions



PENDING CHANGES

- Tax deadline October 16, 2023
- Policy changes through trailer bill language-- September 14th
- Child Care Providers United: Tentative Agreement, 2-year contract
 - \$600 million over two years in rate increases and a pathway to implement provider payment based on the actual cost of providing care;
 - \$80 million ongoing per year for a retirement fund;
 - \$100 million ongoing per year for healthcare;
 - Funds for training and continued education;
 - Two-year extension of payment by enrollment, not attendance; and
 - Renegotiated what qualifies as part-time hours.



EARLY CARE AND EDUCATION

- **Child Care Reimbursement Rate and Alternative Rate Methodology:** \$2.8 billion over two years to address reimbursement rates for child care providers in alignment with a ratified Child Care Providers United agreement.
 - Authorizes the CDSS to develop and conduct an alternative methodology, in order to inform reimbursement rates for state-subsidized childcare and development services.
- **Family Fee Reform:** Waives child care fees through September 30, 2023 and provides permanent family fee reform, capping family fees at 1% of family income and waiving family fees for families with income under 75% of SMI, including State Preschool programs.
- **Alameda County Child Care Pilot Program:** Sunset date extended to June 30, 2024.



EARLY CARE AND EDUCATION

- **Child Care Slots:** Delays new 20,000 child care slots to 2024-25.
- **Reimbursement Flexibilities:** Extends COVID-19 era hold harmless policy for child care programs and preschool reimbursement, to September 30, 2023.
- **CSPP Eligibility:** streamlines preschool eligibility redetermination, and requires the 3rd priority for services to be given to eligible 3- and 4-year old children who are not enrolled in a state-funded transitional kindergarten program, and revises the remaining priorities accordingly.
- **CSPP Enrollment:** Delays the planned ramp up for CSPP providers to serve at least 10 percent students with disabilities by two years.



UNIVERSAL TRANSITIONAL KINDERGARTEN

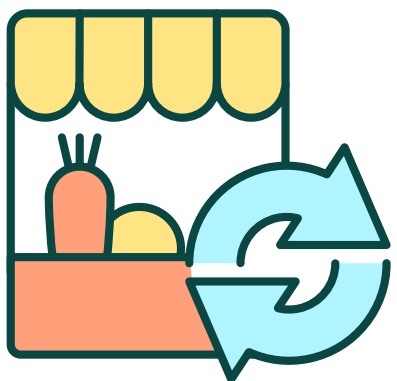
- **Continued Expansion of UTK:**

- Provides \$597 million for continued expansion of TK enrollment to all children turning five-years-old between September 2 and April 2.
- Maintains current ratios for TK, and delays the requirement to lower ratios to 1:10 until 2025-26.
- Extends the deadline for credentialed teachers to earn 24 units, or its equivalent, or a child development teacher permit or an early childhood education specialist credential, from August 1, 2023, to August 1, 2025.
- Allows LEAs to enroll children whose fourth birthday falls between June 2 and September 1, or early enrollment children, if they meet specific criteria.



HUMAN SERVICES AND ECONOMIC SUPPORTS

- **Food and Nutrition:** funds to bolster the universal school meals program, Summer EBT program outreach and automation costs, and expansion of the California Food Assistance Program to people 55 and older, regardless of immigration status.
- **Home Visiting Program (HVP) Pregnancy Eligibility Alignment:** Removes the requirements that limit eligibility for pregnant CalWORKs applicants who have not reached the second trimester.
- **CalWORKs AB 85 Maximum Aid Payment (MAP) Increase:** Beginning on October 1, 2023, increases the MAP levels by 3.6 percent.
- **CalWORKs Continuation of 10 Percent Increase in 2024-25 and Ongoing:** Removes the expiration set for September 30, 2024, thereby extending indefinitely the 10 percent increase for the CalWORKs MAPs currently in effect.





HEALTH CARE

- **Renews the Managed Care Organization (MCO) tax:** includes funds to improve reimbursement rates and make other investments in primary care, specialty care, hospitals, clinics, community health workers, behavioral health capacity, reproductive health care, abortion access, workforce development.
- **Health Coverage:** Funds to support state subsidies for consumers in the Covered California health benefit exchange, beginning in the 2024 coverage year.
- **Workforce Programs:** Rejects delays to critical health care workforce programs, such as nursing, community health workers, addiction medicine, and social work to improve access to behavioral health.



BEHAVIORAL HEALTH CARE

- **Lanterman Developmental Disabilities Services Act:** Expands provisional eligibility for to include children from birth through two years of age.
- **Regional Center Family Fees:** Implements a one-year extension of regional center family fee assessments, including the Family Cost Participation Program and the Annual Family Program Fee, through June 30, 2024.
- **Creation of the Autism Services Branch within Department of Developmental Services (DDS):** Requires DDS to provide annual reports to the legislature starting April 1, 2024, regarding expenditures caseload data, observations, and analysis of trends and unmet needs.
- **Caseloads:** Approves funding to reduce the caseload ratios for children ages 0-5.



HOUSING & HOMELESSNESS

- **Homelessness:** Sustains \$1B one-time GF for the Homeless Housing, Assistance and Prevention (HHAP) Grant Program, and intent for additional funding.
- **CalAIM Transitional Rent:** Includes funding to allow up to six months of rent or temporary housing to eligible individuals experiencing homelessness or at risk of homelessness.
- **Encampment Resolution Funding grants:** Includes \$400 million in one-time General Fund for a third round of grants.
- **Homeownership & Accessory Dwelling Unit (ADU) Grant Programs:** Fully funds California Dream for All shared-equity down payment assistance program and program for ADU development.
- **Foreclosure Intervention Housing Prevention Program:** Provides \$82.5 million and intent language to allocate more.

RESOURCES



- [California FY 2023-24 Budget](#)
- [First 5 Association Summary](#)
- [California Budget & Policy Center: The 2023-24 California State Budget Explained](#)



REACTIONS

**MISSED
OPPORTUNITIES**