

# 2022-23 Proposed Budget: Impact on California's Older Adults and People with Disabilities

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On January 10, 2022, Governor Gavin Newsom released the 2022-23 proposed budget. The proposal includes several program changes that impact services for older adults and people with disabilities.



Governor Newsom's proposed budget reflects General Fund (GF) of \$219.4 billion and anticipated expenditures of \$213.1 billion.

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## Overview

On January 10, 2022, Governor Gavin Newsom released the 2022–23 proposed budget, outlining the state’s projected revenues and spending plan for the fiscal year beginning on July 1, 2022, and ending June 30, 2023. The proposed budget includes total General Fund (GF) resources of \$219.4 billion and anticipated expenditures of \$213.1 billion, with the rest held in reserve. The proposed budget reflects a Budget Stabilization Account\* balance of \$20.9 billion, and a Safety Net Reserve† balance of \$900 million. The Rainy Day Fund is at its constitutional maximum (10 percent of GF revenues), requiring \$2.4 billion to be directed toward infrastructure investments.<sup>1,2</sup>

Governor Newsom’s 2022–23 proposed budget outlines his top priorities for the year ahead—including addressing climate change, workforce issues, health care access, affordable housing, economic security, and other initiatives that impact older adults and people with disabilities.<sup>2</sup>

## Background: Master Plan for Aging, Community–Based Care, and CalAIM

January 2022 marked the [one-year anniversary](#) of California’s [Master Plan for Aging](#) (Master Plan), a 10-year blueprint to address the needs of aging Californians and system challenges across housing, transportation, health care, long-term services and supports, and others. The [enacted 2021–22 budget](#) contained significant investments for Master Plan implementation. This included the enhanced funding for California’s [Home- and Community-Based Services \(HCBS\) Spending Plan](#), made available through the *American Rescue Plan Act of 2021*. California received approval for the \$4.6 billion HCBS Spending Plan from the Centers for Medicare and Medicaid Services (CMS) on January 4, 2022.<sup>3,4</sup> The state also received CMS approval for the [1115 and 1915\(b\) waivers](#) authorizing implementation of [California Advancing and Innovating Medi-Cal \(CalAIM\)](#) beginning January 1, 2022.<sup>5</sup> The proposed 2022–23 budget builds off these key investments and regulatory approvals to include additional funding for specified Master Plan priorities.<sup>2</sup>

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\* The Budget Stabilization Account is often referred to as the “Rainy Day Fund,” in accordance with Proposition 2, the voter approved Constitutional amendment.

† The Safety Net Reserve was created in the 2018–19 budget to specifically protect safety net services during the next recession.

# Budget Items Impacting Older Adults, People with Disabilities, and Their Caregivers

The governor’s 2022–23 proposed budget includes the following proposals that impact older adults, people with disabilities, and their caregivers—several of which connect with Master Plan priorities.

Table 1 highlights items that directly support Master Plan implementation.

Table 1: Master Plan for Aging <sup>2</sup>		
Item	Proposed Budget Action	Estimated Investment
<b>Data Dashboard</b>	Bolsters the <a href="#">Master Plan Data Dashboard</a> to drive outcomes and sustain public engagement	\$2.1 million (\$1.8 million GF)

Table 2 includes care economy workforce initiatives, as well as proposals for employment equity and volunteerism for older adults and people with disabilities.

Table 2: Workforce and Volunteer Infrastructure <sup>2,6</sup>		
Item	Proposed Budget Action	Estimated Investment
<b>Care Economy Workforce</b>	Creates opportunities to expand, support, and diversify the health and human services workforce	\$1.7 billion GF <sup>†</sup> (over three years)
<b>California Leads as an Employer</b>	Builds an equitable state workforce that reflects California’s diversity, including age and disability	\$7.6 million (\$6.3 million GF)
<b>Older Adult Volunteer Opportunities</b>	Engages older adults in intergenerational and peer-to-peer volunteer opportunities	\$10 million GF <sup>†</sup>

<sup>†</sup>Represents allocation of one-time funds.

Table 3 includes health care investments that expand access to Medi-Cal and implement CalAIM.

<b>Table 3: Health Care and Long-Term Care<sup>2,7,8</sup></b>		
<b>Item</b>	<b>Proposed Budget Action</b>	<b>Estimated Investment</b>
<b>Alzheimer's Healthy Brain Initiative</b>	Continues support for existing grantees in six local health jurisdictions with expansion to up to six more	\$10 million GF <sup>†</sup>
<b>CalAIM</b>	Implements the following initiatives: <ul style="list-style-type: none"> <li>• Mandatory managed care for dual eligibles</li> <li>• Long-term care integration into managed care</li> <li>• Providing Access and Transforming Health (PATH) to development of Enhanced Care Management and Community Supports in CalAIM</li> </ul>	\$2.8 billion (\$982.6 million GF)
<b>Cognitive Health Assessments</b>	Implements cognitive health assessments for Medi-Cal beneficiaries age 65 and older	\$341,000 (\$171,000 GF)
<b>Home and Community-Based Alternatives (HCBA) Waiver</b>	Funds provisions of a recently submitted HCBA waiver renewal, including increase in available slots, expansion of Community Transition Services, and assistive technology, among others	\$304 million (\$152 million GF)
<b>In-Home Supportive Services Back-Up Provider System</b>	Establishes a permanent back-up provider system	\$24.8 million (\$11.2 million GF)
<b>Medi-Cal Asset Limit</b>	Phases in elimination of the Medi-Cal asset limit with full elimination no sooner than January 1, 2024	\$200.7 million (\$93.4 million GF)
<b>Medi-Cal Expansion</b>	By January 2024, expands Medi-Cal to eligible adults ages 26-49 regardless of immigration status, providing coverage for immigrants with disabilities (builds on expansion to adults age 50 and older effective May)	\$819.4 million (\$613.5 million GF)
<b>Medi-Cal Premiums</b>	Reduces Medi-Cal premiums for working adults with disabilities	\$1.5 million GF
<b>Nursing Facility Financing</b>	Changes funding from primarily cost-based to value-based	\$46 million GF

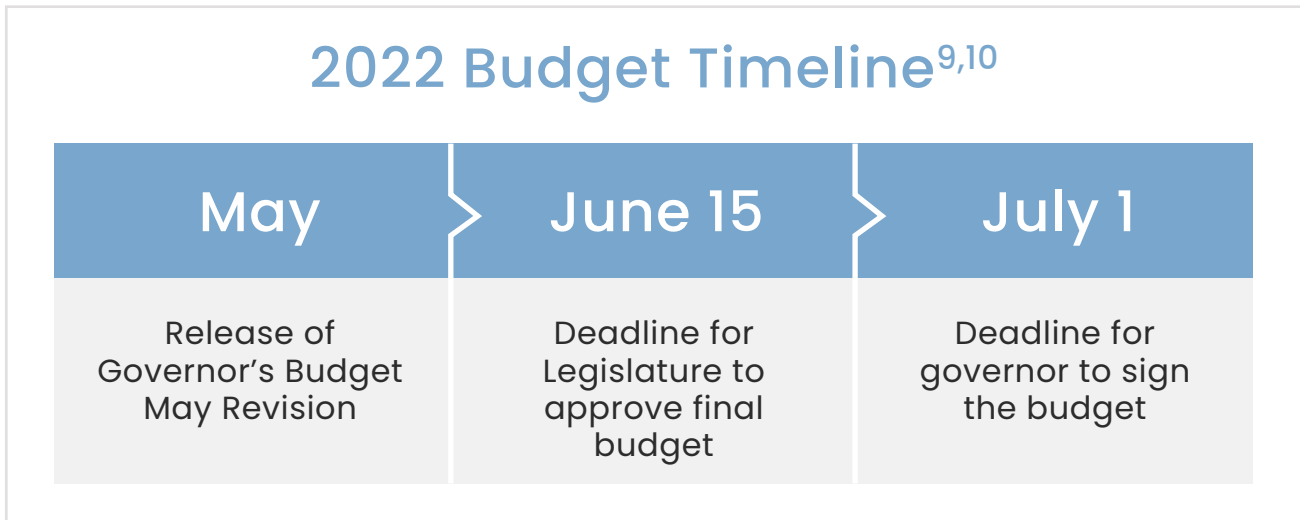
<sup>†</sup>Represents allocation of one-time funds.

Table 4 highlights future investments related to economic security and addresses elder justice.

<b>Table 4: Economic and Housing Security, and Elder Justice<sup>2,7</sup></b>		
<b>Item</b>	<b>Proposed Budget Action</b>	<b>Estimated Investment</b>
<b>California Food Assistance Program</b>	Expands the California Food Assistance Program in 2025-26 for adults age 55 and older, regardless of immigration status	\$35.2 million GF (for planning)
		\$113.4 million GF (2025-26)
<b>State Supplementary Payment (SSP)</b>	Assumes a 24 percent increase in the <a href="#">SSP</a> on January 1, 2024	\$296 million GF (2023-24)
<b>Affordable Housing</b>	Invests in initiatives to accelerate development of affordable housing	\$9 billion
<b>Homelessness</b>	Invests in initiatives to address homelessness, including behavioral health housing and encampment cleanup grants as a bridge to efforts such as HomeKey and CalAIM	\$8 billion
<b>Returning Home Well Program</b>	Provides transitional housing to parolees (of whom 25 percent are age 50 or older)	\$10.6 million GF (over three years)
<b>State Liaison to County Probate Conservators</b>	Funds a new position to coordinate with county Public Conservator agencies serving people with probate conservatorships	No amount listed

## Next Steps in the Budget Process

California's 2022-23 Governor's Budget requires approval by the Senate and the Assembly prior to being sent to the governor for his signature. Below is a list of key budget dates:



## References

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7. Senate Committee on Budget and Fiscal Review. Summary of the governor's proposed 2022-23 budget. Accessed January 18, 2022, [https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/January\\_10\\_Summary\\_of\\_the\\_2022-23\\_Proposed\\_Budget\\_Final.pdf](https://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/January_10_Summary_of_the_2022-23_Proposed_Budget_Final.pdf)
8. California Department of Health Care Services. 2022-23 governor's budget; Department of Health Care Services highlights. Accessed January 18, 2022, [https://www.dhcs.ca.gov/Documents/Budget\\_Highlights/DHCS-FY-2022-23-GB-Highlights.pdf](https://www.dhcs.ca.gov/Documents/Budget_Highlights/DHCS-FY-2022-23-GB-Highlights.pdf)
9. California State Senate. How the budget process works (taken from "The Budget Process", prepared by the Senate Rules Committee). Accessed January 12, 2021, <http://sbud.senate.ca.gov/sites/sbud.senate.ca.gov/files/BWORKINGS.PDF>
10. C.A. Const. art. IV, § 12.