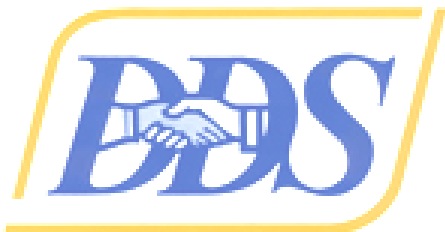


# **Department of Developmental Services**

## **Governor's Budget Highlights**



**Gavin Newsom  
Governor  
State of California**

**Mark Ghaly MD, MPH  
Secretary  
California Health and Human Services Agency**

**Nancy Bargmann  
Director  
Department of Developmental Services**

January 2022

**FY 2022-23****Costs and Fund Sources**

The FY 2022-23 Regional Center budget includes \$11.9 billion TF (\$7.1 billion GF), a net increase of **\$1.5 billion TF (\$1.2 billion GF)** compared to the updated current year. This includes a projected \$176.0 million TF increase in Operations costs, and \$1.4 billion TF increase in Purchase of Services expenditures.

<b>Costs and Fund Sources</b> (Dollars in Thousands)			
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Difference</b>
Operations	\$1,046,278	<b>\$1,222,245</b>	<b>\$175,967</b>
Purchase of Services	\$9,295,961	<b>\$10,675,360</b>	<b>\$1,379,399</b>
Early Start Part C/Other Agency Costs	\$43,024	\$19,094	(\$23,930)
Early Start Family Resource Services	\$2,003	\$2,003	\$0
<b>Total Costs</b>	<b>\$10,387,266</b>	<b>\$11,918,702</b>	<b>\$1,531,436</b>
General Fund (GF)	\$5,943,001	\$7,131,876	\$1,188,875
<i>GF Match</i>	\$3,037,942	\$3,850,655	\$812,713
<i>GF Other</i>	\$2,905,059	\$3,281,221	\$376,162
Reimbursements	\$4,130,909	\$4,099,188	(\$31,721)
Program Development Fund/Parental Fees	\$204	\$204	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$138,850	\$382,700	\$243,850
HCBS ARPA Reimbursements	\$88,614	\$249,781	\$161,167
Federal Funds	\$84,798	\$54,063	(\$30,735)
<b>Fund Sources</b>	<b>\$10,387,266</b>	<b>\$11,918,702</b>	<b>\$1,531,436</b>

**Population**

The Department is forecasting an **increase of 21,203 consumers** compared to the updated current year. The increase assumes a return to typical caseload growth as the state recovers from the public health emergency.

<b>Caseload*</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Difference</b>
Active (Age 3 & Older)	332,465	349,619	17,154
Early Start (Birth through 35 Months)	53,966	58,015	4,049
<b>Total Community Caseload</b>	<b>386,431</b>	<b>407,634</b>	<b>21,203</b>

\*Does not include children who meet provisional eligibility.

**Regional Center Operations – Caseload**

The budget year includes \$955.3 million TF (\$667.1 million GF) for regional center operations, an increase of \$40.0 million (\$29.9 million GF) as compared to the updated current year budget. **The increase is mainly attributed to anticipated caseload growth.**

<b>Operations – Caseload</b> (Dollars in Thousands)			
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Difference</b>
Staffing Expenditures	\$833,073	\$870,248	\$37,175
Federal Compliance	\$48,349	\$49,271	\$922
Projects	\$32,171	\$34,051	\$1,880
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$1,688	\$1,688	\$0
<b>Total Operations – Caseload</b>	<b>\$915,281</b>	<b>\$955,258</b>	<b>\$39,977</b>

**Regional Center Operations – Policy**

The budget year includes \$267.0 million TF (\$166.7 million GF) for policies impacting regional center operations, an increase of \$136.0 million TF (\$91.8 million GF) compared to the updated current year budget.

**Updated Policies:**

- **Performance Incentives Program: Increase of \$83.8 million TF (\$57.0 million GF) to reflect the implementation of the performance improvement plan and prioritize the reduction of caseload ratios.**
- Employment Grant: Decrease of \$14.7 million TF (\$10.0 million GF) due to one-time funding in FY 2021-22.
- DSP Workforce Training and Development: Increase of \$11.9 million TF (\$8.1 million GF) to reflect costs related to wage differentials for staff who complete the training/certification requirements.
- START Training: Decrease of \$10.2 million TF (\$7.2 million GF decrease) due to one-time funding in FY 2021-22.
- Emergency Preparedness: Decrease of \$4.1 million GF due to one-time funding for preparation efforts in FY 2021-22.
- Specialized Home Monitoring: Increase of \$1.9 million TF (\$1.3 million GF) to reflect monitoring additional new homes.
- **Enhanced Service Coordination: Increase of \$1.4 million TF (\$1.1 million GF) to include 10.5 supervisor positions.**
- **Lanterman Act Provisional Eligibility Ages 3 and 4: Increase of \$545,000 GF to reflect the year-over-year increase in caseload.**
- Regional Center Emergency Coordinators: Increase of \$483,000 TF (\$328,000 GF) to reflect reclassification of positions to Senior Emergency Services Coordinators.
- Specialized Caseload Ratio: Increase of \$200,000 TF (\$96,000 GF) to reflect the year-over-year increase in high risk consumers.

## New Policies:

- **Reduced Caseload Ratio for Children through Age 5:** Increase of \$51.1 million TF (\$31.9 million GF) to fund additional regional center staff to achieve a 1:40 caseload ratio for children birth through age 5.
- **Early Start – Part C to B Transitions:** Increase of \$13.2 million TF (\$12.2 million GF) to promote inclusive preschool options and provide technical support for service coordinators.
- **Enrolling Vendors as Medicaid Providers:** Increase of \$550,000 GF to reflect costs for screening activities and background checks.

<b>Operations – Policy</b> (Dollars in Thousands)			
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Difference</b>
Specialized Caseload Ratio	\$4,200	\$4,400	\$200
Specialized Home Monitoring	\$8,315	\$10,201	\$1,886
Trauma Informed Services for Foster Youth	\$1,600	\$1,600	\$0
START Training	\$10,215	\$0	(\$10,215)
Regional Center Emergency Coordinators	\$2,017	\$2,500	\$483
Community Navigators	\$5,300	\$5,300	\$0
Tribal Engagement for Early Start Services	\$500	\$500	\$0
Enhanced Service Coordination	\$12,800	\$14,172	\$1,372
DSP Workforce Training and Development	\$4,300	\$16,200	\$11,900
Implicit Bias Training	\$7,029	\$7,029	\$0
Emergency Preparedness	\$4,300	\$200	(\$4,100)
Resources to Support Individuals Who Are Deaf	\$2,379	\$2,379	\$0
Employment Grant	\$14,706	\$0	(\$14,706)
Performance Incentives Program	\$3,676	\$87,500	\$83,824
Language Access and Cultural Competency	\$16,667	\$16,667	\$0
Health and Safety Waiver Assistance	\$4,412	\$4,412	\$0
Enrolling Vendors as Medicaid Providers	\$0	\$550	\$550
Reduced Caseload Ratio for Children through Age 5	\$0	\$51,084	\$51,084
Early Start – Part C to B Transitions	\$0	\$13,167	\$13,167
Forensic Diversion	\$534	\$534	\$0
Self-Determination Ongoing Implementation	\$7,800	\$7,800	\$0
Lanterman Act Provisional Eligibility Ages 3 and 4	\$7,600	\$8,145	\$545
Service Provider Rate Reform	\$12,647	\$12,647	\$0
<b>Total Operations – Policy</b>	<b>\$130,997</b>	<b>\$266,987</b>	<b>\$135,990</b>

**Purchase of Services (POS) Caseload**

The budget year includes \$9.7 billion TF (\$6.1 billion GF) for purchase of services, an increase of \$811.4 million TF (\$552.2 million GF), or a 9.1 percent increase compared to the updated current year budget. The net increase is primarily due to continued caseload and utilization changes in various budget categories. Note: The impacts of the COVID-19 pandemic on POS expenditures had a significant effect on 'Difference' and 'Percent Change' comparisons displayed below.

<b>Purchase of Services Caseload (Utilization and Growth)</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>Difference</b>
Community Care Facilities	\$2,609,939	\$2,751,449	\$141,510
Medical Facilities	\$43,036	\$59,052	\$16,016
Day Programs	\$1,365,380	\$1,407,794	\$42,414
Habilitation Services	\$132,688	\$126,829	(\$5,859)
<i>Work Activity Program</i>	\$19,247	\$15,095	(\$4,152)
<i>Supported Employment Program – Group</i>	\$75,107	\$69,142	(\$5,965)
<i>Supported Employment Program – Individual</i>	\$38,334	\$42,592	\$4,258
Transportation	\$370,920	\$468,788	\$97,868
Support Services	\$2,298,543	\$2,485,930	\$187,387
In-Home Respite	\$1,097,217	\$1,284,971	\$187,754
Out of Home Respite	\$67,782	\$63,907	(\$3,875)
Health Care	\$231,511	\$316,953	\$85,442
Miscellaneous Services	\$674,177	\$736,936	\$62,759
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$9,115	\$9,115	\$0
<b>Total POS – Caseload</b>	<b>\$8,900,308</b>	<b>\$9,711,724</b>	<b>\$811,416</b>

POS – Policy

The budget year includes \$963.6 million TF (\$227.0 million GF) for policies impacting regional center purchase of services, an increase of \$568.0 million TF (\$92.7 million GF) compared to the updated current year budget.

**Updated Policies:**

- Service Provider Rate Reform: Increase of \$427.1 million HCBS ARPA Funding to reflect the full-year cost of the initial rate adjustment and provide the initial funding for the quality incentive program.
- SB 3, Minimum Wage Increase, Effective January 1, 2022: Increase of \$131.3 million TF (\$77.6 million GF) represents full-year implementation of the policy and updated expenditures.
- Coordinated Family Support Services: Decrease reflects one-time funding of \$41.7 million HCBS ARPA Funding in FY 2021-22 to improve service equity for adults who live with their families and improve individual supports at home.
- Social Recreation and Camping Services: Increase of \$19.6 million HCBS ARPA Funding to reflect 18-month ramp up.
- START Training: Increase of \$11.5 million TF (\$7.2 million GF) to reflect a full year of services that will be provided by the START teams.
- Electronic Visit Verification Penalty Payment: Decrease of \$10.2 million GF reflects compliance with federal electronic visit verification requirements.
- Bilingual Differentials for Direct Service Professionals: Increase of \$3.6 million TF (\$2.2 million GF) to reflect projected increase in staff receiving the pay differential in FY 2022-23.
- Lanterman Act Provisional Eligibility Ages 3 and 4: Increase of \$1.2 million GF for projected increase in caseload.
- Health Facility Rate Increase: Decrease of \$1.1 million GF reflects the end of the temporary rate increase during the COVID-19 pandemic.

**New Policies:**

- Communications Assessments for Consumers Who Are Deaf: One-time funding of \$14.3 million TF (\$8.4 million GF) to fund communication assessments that will be used in developing Individual Program Plans for consumers identified as being deaf or hard of hearing.
- Work Activity Programs (WAP): New Service Model: Increase of \$8.2 million TF (\$4.9 million GF) to support a three-year pilot to focus on career readiness for consumers exiting WAP to prepare them to enter competitive and integrated workplaces.
- SB 3, Minimum Wage Increase, Effective January 1, 2023: Increase of \$4.1 million TF (\$2.5 million GF) for increase of the minimum wage from \$14.00 to \$15.00 for employers with 25 employees or less.