

**Department of Developmental Services**

**Governor's Budget Highlights**



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**DEPARTMENT OF DEVELOPMENTAL SERVICES  
GOVERNOR'S BUDGET HIGHLIGHTS**

The Department of Developmental Services (Department) is responsible for administering the Lanterman Developmental Disabilities Services Act (Lanterman Act). The Lanterman Act provides for the coordination and provision of services and supports to enable people with developmental disabilities to lead more independent, productive, and integrated lives. The Early Start Program provides for the delivery of services to infants and toddlers at risk of having a developmental disability. The Department carries out its responsibilities through contracts with 21 community-based, non-profit corporations known as regional centers, two state-operated developmental centers, one state-operated community facility, and Stabilization, Training, Assistance and Reintegration (STAR) homes.

The number of individuals served by regional centers (consumers) is expected to increase from 350,047 in the current year to 368,622 in 2020-21. The ending population of individuals in state-operated residential facilities is estimated to be 302 on July 1, 2020.

**GOVERNOR'S BUDGET SUMMARY**

The 2020-21 Governor's Budget includes \$9.2 billion total funds (\$5.7 billion General Fund [GF]) for the Department in 2020-21; a net increase of \$1.0 billion (\$624.6 million GF) over the updated 2019-20 budget.

<b>FUNDING SUMMARY</b> <i>(Dollars in Thousands)</i>				
	<b>2019-20</b>	<b>2020-21</b>	<b>Difference</b>	<b>Percentage Change</b>
<b>BUDGET SUMMARY</b>				
Community Services	\$7,735,113	\$8,751,047	\$1,015,934	13.1%
State Operated Facilities	326,381	300,186	-26,195	-8.0%
Headquarters Support	97,881	118,220	20,339	20.8%
<b>TOTALS, ALL PROGRAMS</b>	<b>\$8,159,375</b>	<b>\$9,169,453</b>	<b>\$1,010,079</b>	<b>12.4%</b>
<b>GENERAL FUND</b>				
Community Services	\$4,686,900	\$5,314,052	\$627,152	13.4%
State Operated Facilities	283,828	267,126	-16,702	-5.9%
Headquarters Support	63,372	74,495	11,123	17.6%
<b>GF TOTAL, ALL PROGRAMS</b>	<b>\$5,034,100</b>	<b>\$5,655,673</b>	<b>\$621,573</b>	<b>12.3%</b>

For more detail, please refer to the Program and Funding Summary on page 7.

## **COMMUNITY SERVICES PROGRAM**

### **2019-20**

The 2019-20 updated Regional Center budget includes \$7.7 billion (\$4.7 billion GF), which is a net decrease of \$63.0 million (\$14.3 million GF), or 0.81 percent, as compared to the enacted budget. The primary driver of the decrease is attributed to expenditures for the January 1, 2019 Senate Bill (SB) 3 minimum wage increase coming in lower than originally estimated.

There is a net decrease of 114 consumers in the updated 2019-20 projections due to a slight decrease in the number of individuals served in the Early Start program.

### **Regional Center Operations**

The Operations budget reflects a net increase of \$879,000 (\$27.4 million GF) over the enacted budget. The main driver for this increase is \$1.1 million in one-time funding for regional centers to assist consumers who may be eligible for increased benefits due to the expansion of CalFresh for Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients.

### **Purchase of Service Caseload Growth and Utilization**

Updated Purchase of Service (POS) expenditures reflect a net decrease of \$71.0 million (\$48.0 million GF), or a 1.08 percent decrease, as compared to the enacted budget. The decrease is primarily attributed to expenditures for the January 1, 2019 SB 3 minimum wage increase coming in lower than originally estimated. The estimated increase in the Community Care Facilities (CCF) category reflected below is mostly related to expenditures for individuals who have moved from Developmental Centers.

### **Policy - POS**

There is a net increase of \$7.1 million (\$6.3 million GF) in policy related expenditures for 2019-20 as compared to the enacted budget. The main drivers are:

#### **SB 3 minimum wage, January 1, 2020 (\$12.00 to \$13.00 per hour)**

Increase of \$5.9 million (\$4.1 million GF).

#### **STAR Homes**

Transfer of \$3.0 million GF from State Operations to Local Assistance for the development of the two community STAR homes.

### **2020-21**

The 2020-21 Governor's Budget includes \$8.8 billion (\$5.3 billion GF) which is a net increase of \$1.0 billion (\$627.2 million GF) as compared to the updated current year budget.

The estimated 2020-21 population is 368,622, reflecting an increase of 18,575 (5.3 percent), as compared to the updated current year budget. This increased projection is comprised of 14,455 active consumers and 4,120 individuals receiving Early Start services.

### **Regional Center Operations**

The 2020-21 regional center operation reflects a net increase of \$40.1 million (\$33.1 million GF), or a 5.46 percent, as compared to the updated current year budget. The increase is mainly attributable to the projected increase in population.

### **Policy - Regional Center Operations**

There is a net increase of \$17.3 million as compared to updated current year budget. The 2020-21 Governor's Budget includes the following proposed policy revisions:

#### **Enhanced Caseload Ratios for Consumers Ages Three and Four**

Increase of \$16.5 million (\$11.2 million GF) to provide a 1:45 service coordinator to consumer caseload ratio for consumers who are three and four years old.

#### **Specialized Home Monitoring**

Increase of \$746,000 (\$508,000 GF) to provide required monitoring of additional specialized homes that will become available in 2020-21.

### **POS Caseload Growth and Utilization**

POS caseload and Utilization reflects an increase of \$420.3 million (\$263.4 million GF), or 6.49 percent increase, as compared to the updated current year budget. The increase is primarily attributable to expenditure growth in the following categories: Community Care Facilities, Support Services, In-Home Respite and Miscellaneous. Estimated expenditure growth in Support Services is mainly due to growth in Supported Living Services, Personal Assistance, and Community Integration Training Program. For Support Services overall, 60 percent of the increase is due to higher caseload and 40 percent reflects higher per capita expenditures.

### **Policy - POS**

There is a net increase of \$538.2 million (\$319.0 million GF) as compared to the updated current year budget for the following items:

#### **Community Crisis Homes for Children**

Decrease of \$4.5 million GF due to one-time start-up funding.

#### **Development of STAR Homes**

Decrease of \$3.0 million GF due to one-time start-up funding.

#### **Enhanced Behavioral Supports Homes (EBSH) with Delayed Egress and Secured Perimeter (DESP)**

Increase of \$7.5 million GF to develop five EBSHs with DESP to reduce reliance on restrictive settings and provide opportunities for individuals to move to the community, with appropriate and necessary supports.

#### **Electronic Visit Verification Penalty Payment**

Increase of \$5.1 million GF in estimated federal financial payment penalties for applicable services.

**Performance Incentive Program**

Increase of \$78.0 million (\$60.0 million GF) to establish a Performance Incentive Program for Developmental Services administered through Regional Centers. The Performance Incentive Program will align with each Regional Center's performance contract and require Regional Centers to meet an advanced tier of performance measures and outcomes to receive incentive payments.

**Provider Supplemental Rate Increase (Effective January 2020)**

Increase of \$206.2 million (\$124.5 million GF) reflects a full year impact compared to a half year in the current year.

**Additional Provider Supplemental Rate Increase (Effective January 2021)**

Increase of \$18 million (\$10.8 million GF) to increase rates for three additional services: Early Start Specialized Therapeutic Services, Independent Living Program, and Infant Development Program. The budget assumes the rate increases will be effective January 2021 upon approval of federal funding.

**SB 3 Minimum Wage, January 1, 2020 (\$12.00 to \$13.00 per hour)**

Increase of \$103.8 million (\$53.2 million GF) reflects a full year impact compared to a half year in the current year.

**SB 3 Minimum Wage, January 1, 2021 (\$13.00 to \$14.00 per hour)**

Increase of \$120.3 million (\$61.4 million GF) reflects a projected half-year impact due to the increased minimum wage.

**Systemic, Therapeutic, Assessment, Resources and Treatment Training (START) Training**

Increase of \$4.5 million (\$2.6 million GF) to support individuals in their current residential arrangement and prevent disruptions and admissions into more restrictive settings, such as Institutions for Mental Diseases, out-of-state services, acute psychiatric settings, Community Crisis Homes and STAR services through the provision of 24-hour crisis services and planning, and by providing training to families, direct support staff, and local partners (e.g., police, hospital staff, teachers) on person-centered, trauma-informed, and evidence-based support services for individuals with co-occurring developmental disabilities and mental health needs.

**Uniform Holiday Schedule**

Increase of \$2.4 million (\$1.4 million GF) to reflect actual expenditures through 2018-19.

## **STATE OPERATED FACILITIES PROGRAM**

### **2019-20**

The ending population on July 1, 2019 was 363 individuals. The Department projects an ending population of 302 individuals on June 30, 2020.

The 2020-21 Governor's Budget includes \$326.4 million (\$283.8 million GF), which is a net increase of \$5.0 million (\$4.1 million GF). The net increase is a combination of the following adjustments:

#### **Operations Expenditures**

Decrease of \$3.0 million GF reflecting a budget revision transferring \$3.0 million from State Operations to Local Assistance for the development of the two community STAR homes in Central California.

#### **Employee Compensation and Retirement**

Increase of \$8 million (\$7.1 million GF) for compensation and retirement adjustments approved through the collective bargaining process.

### **2020-21**

The Governor's Budget includes \$300.1 million (\$267.1 million GF), a decrease of \$26.2 million (\$16.7 million GF) as compared to the updated current year budget. The decrease reflects the following adjustments:

#### **Operations Expenditures**

Decrease of \$24.7 million (\$15.6 million GF) and is comprised of a \$19.8 million reduction in Personal Services and \$4.9 million reduction in Operating Expenses and Equipment.

- Increase of \$8.9 million GF and 72.3 positions for the Secured Treatment Program (STP) at Porterville to temporarily expand bed capacity from 211 to 231 beds. The Department will add one Intermediate Care Facility (ICF) Unit of 20-beds. The STP bed capacity would return to 211 by July 1, 2024.
- Increase of \$11.9 million GF and 54.0 positions to extend the warm-shutdown period at Fairview DC through June 30, 2021. The Department of General Services is in the process of completing a site assessment to inform the disposition of the property.
- Increase of \$1.1 million GF for 8.0 positions for the South Coast Regional Project (SCRP). The SCRP will continue to support the transition activities of all individuals from state operated facilities.

#### **Employee Compensation and Retirement**

Decrease of \$1.5 million (\$1.1 million GF) for employee compensation and retirement adjustments approved through the collective bargaining process.

## **CAPITAL OUTLAY**

The Governor's Budget does not include a proposal for capital outlay funds in 2020-21.

## **DEFERRED MAINTENANCE**

The Governor's Budget does not include funding for deferred maintenance in 2020-21.

## **HEADQUARTERS**

### **2019-20**

The 2020-21 Governor's Budget includes \$97.9 million (\$63.4 million GF), a net increase of \$5.4 million (\$4.0 million GF). The increase is comprised of compensation and retirement adjustments approved through the collective bargaining process and included Item 9800 – Employee Compensation Adjustments; an increase in funding authority for Community State Staff Program; and DGS Reimbursement for O Street Office Cleanup.

### **2020-21**

The 2020-21 Governor's Budget includes \$118.2 million (\$74.5 million GF) for Headquarters, an increase of \$20.3 million (\$11.2 million GF) compared to the updated current year. The net increase is comprised of employee compensation and retirement adjustments approved through the collective bargaining process, included Item 9800- Employee Compensation Adjustments and five Budget Change Proposals as detailed below:

#### **Southern California Headquarters Office**

\$2.0 million (\$1.6 million GF) for new leased space to support approximately 100 permanent positions in Costa Mesa/Orange County, CA in 2020-21. Of this request, \$1.2 million (\$1.0 million GF) is ongoing.

#### **Information Security Office**

\$0.3 million (\$0.2 million GF) and two (2.0) Information Technology Specialist I positions to support workload related to the highest assessed information security and cybersecurity vulnerabilities.

#### **Information Technology Data and Planning**

\$2.2 million (\$1.9 million GF) and four (4.0) permanent Information Technology Specialist II positions, resources equivalent to three (3.0) positions on a two-year limited term basis and supporting resources for modernization of the Information Technology Division organizational infrastructure to ensure support for increasingly complex technology and critical data needs of the Department's programs.

#### **Uniform Fiscal System (UFS) Modernization**

\$1.4 million (\$1.3 million GF) and two (2.0) positions on a two-year limited term basis, and related consulting resources to support planning for the UFS replacement project.

#### **Community State Staff Program (CSSP) Reimbursement**

\$9.7 million increase in reimbursement authority, for temporary help expenditures related to the continuing operation of the CSSP.

**2020 Governor's Budget  
Program and Funding Summary**

*(Dollars in Thousands)*

	2019-20*	2020-21	Difference
<b>Community Services Program</b>			
Regional Centers	\$7,735,113	\$8,751,047	\$1,015,934
<b>Totals, Community Services</b>	<b>\$7,735,113</b>	<b>\$8,751,047</b>	<b>\$1,015,934</b>
General Fund	\$4,686,900	\$5,314,052	\$627,152
Program Development Fund (PDF)	2,242	2,280	38
Developmental Disabilities Svs Acct	150	150	0
Federal Trust Fund	53,580	53,580	0
Reimbursements	2,991,501	3,380,245	388,744
Mental Health Services Fund	740	740	0
<b>State Operated Facilities Program</b>			
Personal Services	\$273,954	\$252,658	-\$21,296
Operating Expense & Equipment	52,426	47,528	-4,898
<b>Total, State Operated Facilities</b>	<b>\$326,381</b>	<b>\$300,186</b>	<b>-\$26,195</b>
General Fund	\$283,828	\$267,126	-\$16,702
Federal Trust Fund	0	0	0
Lottery Education Fund	192	192	0
Reimbursements	42,361	32,868	-9,493
<b>Headquarters Support</b>			
Personal Services	70,183	83,465	8,282
Operating Expense & Equipment	27,698	34,755	6,824
<b>Total, Headquarters Support</b>	<b>\$97,881</b>	<b>\$118,220</b>	<b>\$15,106</b>
General Fund	\$63,372	\$74,495	\$10,890
Federal Trust Fund	2,797	2,723	-74
PDF	404	404	0
Reimbursements	30,817	40,107	4,290
Mental Health Services Fund	491	491	0
<b>Totals, All Programs</b>	<b>\$8,159,375</b>	<b>\$9,169,453</b>	<b>\$1,004,846</b>
<b>Total Funding</b>			
General Fund	\$5,034,100	\$5,655,673	\$621,340
Federal Trust Fund	56,377	56,303	-74
Lottery Education Fund	192	192	0
PDF	2,646	2,684	38
Developmental Disabilities Svs Acct	150	150	0
Reimbursements	3,064,679	3,453,220	383,541
Mental Health Services Fund	1,231	1,231	0
<b>Totals, All Funds</b>	<b>\$8,159,375</b>	<b>\$9,169,453</b>	<b>\$1,004,845</b>
<b>Caseloads</b>			
State Operated Facilities	363	302	-61
Regional Centers	350,047	368,622	18,575
<b>Departmental Positions</b>			
State Operated Facilities	2,518.2	1,951.8	-566.4
Headquarters	512.0	523.2	11.2

\*Total Expenditures do not reflect the statewide item for Employee Retention Incentives of \$1.5 million in 2019-20 and \$15.7 million in 2020-21. The incentives were added by the 2016 Budget Act and displayed as a Carryover/Re-appropriation in the Governor's Budget Galley.