

Department of Developmental Services

2021 May Revision Highlights



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DEPARTMENT OF DEVELOPMENTAL SERVICES 2021 MAY REVISION 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. Additionally, 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, as well as through state-operated homes and facilities.

The number of individuals served by regional centers (consumers) is expected to be 352,381 in the current year and increase to 386,431 in fiscal year (FY) 2021-22. In addition, 322 individuals are projected to be served in state-operated facilities as of July 1, 2021. The current year estimate reflects a reduction of 5,438 individuals when compared to Governor's Budget, which is primarily due to a reduction in referrals which coincided with the beginning of the novel coronavirus (COVID-19) pandemic.

The May Revision Estimate continues to support the needs of consumers throughout the public health crisis and reflects the need for increased supports. The pandemic highlighted inequities among underserved communities and the May Revision Estimate proposes new policies to improve service access and equity to regional center services as well as funding for incentives to achieve better service outcomes and consumer experiences.

2021 MAY REVISION SUMMARY

The 2021 May Revision updates the Department's FY 2020-21 budget to include \$9.9 billion total funds (TF) (\$5.8 billion General Fund [GF]) and includes \$10.7 billion TF (\$6.6 billion GF) for FY 2021-22; a net increase of \$841.6 million TF (\$774.6 million GF) over the updated FY 2020-21 budget.

In the current year, funds will be reallocated to support concerted efforts to increase outreach activities, eligibility assessments and determinations to reach the caseload levels estimated using pre-COVID-19 caseload trends.

In the budget year, in addition to caseload and utilization updates, the proposed FY 2021-22 funding supports the following:

- COVID-19 Response (\$257 million TF, \$152.2 million GF): Projected costs for ongoing response to COVID-19. Funding reflects projected impacts on regional center services as well as resources to support an average of 30 beds combined at Fairview and Porterville Developmental Centers as part of the State's COVID-19 response for individuals with intellectual and developmental disabilities.

- Provider Supplemental Rates and Uniform Holiday Schedule (\$527.6 million TF, \$309.6 million GF): Elimination of the suspension provision for the provider supplemental rates and the Uniform Holiday Schedule. Trailer Bill Language (TBL).
- START Teams (\$5.7 million TF, \$4.0 million GF): The Governor's Budget proposed four additional teams in FY 2021-22; the May Revision proposes funding to support five additional START teams for a total of nine new START teams established in the budget year.
- Emergency Preparedness (\$4.3 million GF, \$200,000 ongoing): Resources to expand emergency preparedness informational materials, provide training and education, provide consumers with emergency go-kits, and enhance availability of back-up batteries and generators for individual's dependent on power for life-sustaining equipment.
- Direct Service Professional Training and Certification (\$4.3 million TF, \$2.9 million GF): Promotes improved consumer access to trained and qualified staff. TBL.
- Bilingual Differential for Direct Service Professionals (\$3.6 million TF, \$2.2 million GF): Funding supports the establishment of a verification process for bilingual competency and provides a differential to increase the availability of staff who are bi/multi-lingual. TBL.
- Competitive Integrated Employment & Paid Internship Program: Proposed change in statute increases the number of incentive payments for longer-term employment, additional incentives to help with COVID-19 recovery, and funding to support paid internship development. TBL only.
- Employment Grant (\$14.7 million TF, \$10.0 million GF): DDS funding to support the expanded cooperative efforts with Department of Rehabilitation to improve the employment rate of individuals with disabilities.
- Self-Determination Ongoing Implementation (\$10.3 million TF, \$6.8 million GF): Funding supports transition support services, improved orientation and training, and participant choice specialists to improve the process for individuals to transition from traditional services to the Self-Determination Program. TBL.
- Additional Resources for Individuals who are Deaf (DDS and regional center funding of \$2.6 million TF, \$1.8 million GF): Spring Finance Letter proposes funding for a headquarters position to provide statewide leadership and subject matter expertise on the provision of services and supports for individuals who are deaf and have intellectual or developmental disabilities. In addition, funding for 21 regional center deaf services specialists to support the expansion of deaf service resources, provide training and expertise to regional center staff, and coordinate with the Department on statewide efforts.
- Tribal Engagement for Early Start Services (\$500,000 GF): Funding for targeted engagement efforts and increase access to services for the Native American population.
- Lanterman Act Provisional Eligibility Ages 3 and 4 (\$23.8 million GF): Funding supports regional center operations as well as purchase of services to provide provisional eligibility for children aged 3 and 4 to reduce the likelihood of children

experiencing delays in receiving services, which can lead to long-term impacts and a need for more intensive services and supports. TBL.

- Implicit Bias Training (\$700,000 TF, \$553,000 GF): Funding prioritized for regional center staff involved in eligibility determinations. TBL.
- Enhanced Service Coordination (\$12.8 million TF, \$10.0 million GF): Funding for service coordination activities to support consumers with low or no purchase of service expenditures.
- Performance Incentives (\$3.7 million TF, \$2.5 million GF): Funding supports initial and ongoing efforts to establish a performance improvement program with fiscal incentives for regional centers to meet specified benchmarks and improvement measures, with an initial focus on reducing caseload ratios. Funding increases to \$87.5 million, \$59.5 million GF in 2022-23. TBL.

Program Highlights

(Dollars in Thousands)

	FY 2020-21*	FY 2021-22*	Difference
Community Services Program			
Regional Centers	\$9,410,291	\$10,265,357	\$855,066
Total, Community Services	\$9,410,291	\$10,265,357	\$855,066
General Fund	\$5,440,502	\$6,223,905	\$783,403
Program Development Fund	0	204	204
Developmental Disabilities Services Account	150	150	0
Federal Trust Fund	54,279	78,765	24
Reimbursements	3,914,620	3,961,593	46,973
Mental Health Services Fund	740	740	0
State Operated Facilities Program			
Personal Services	\$233,958	\$259,253	\$25,295
Operating Expense & Equipment	129,745	68,137	(61,608)
Total, State Operated Facilities	\$363,703	\$327,390	(\$36,313)
General Fund	\$315,616	\$292,225	(\$23,391)
Lottery Education Fund	126	126	0
Reimbursements	47,961	35,039	(12,922)
Headquarters Support			
Personal Services	\$75,244	\$84,751	\$9,507
Operating Expense & Equipment	32,704	46,081	13,377
Total, Headquarters Support	\$107,948	\$130,832	\$22,884
General Fund	\$65,768	\$80,352	\$14,584
Federal Trust Fund	2,715	2,742	27
Program Development Fund	412	413	1
Reimbursements	500	500	0
Mental Health Services Fund	38,553	46,825	8,272
Total, All Programs	\$9,881,942	\$10,723,579	\$841,637
Total Funding			
General Fund	\$5,821,886	\$6,596,482	\$774,596
Federal Trust Fund	56,994	81,507	24,513
Lottery Education Fund	126	126	0
Program Development Fund	412	617	205
Developmental Disabilities Services Account	150	150	0
Reimbursements	3,963,081	3,997,132	34,051
Mental Health Services Fund	39,293	47,565	8,272
Total, All Funds	\$9,881,942	\$10,723,579	\$841,637
Caseloads			
State Operated Facilities	302	322	20
Regional Centers	352,381	386,431	34,050
Departmental Positions			
State Operated Facilities	1,953.2	1,985.7	32.5
Headquarters	516.0	519.0	3.0

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

*The above figures do not include \$2.7 million deferred maintenance re-appropriation in FY 2021-22.

COMMUNITY SERVICES PROGRAM

FY 2020-21

Costs and Fund Sources

The FY 2020-21 updated Regional Center budget includes \$9.4 billion TF (\$5.4 billion GF), a net increase of \$41.7 million TF (\$81.1 million GF decrease) as compared to the Governor’s Budget. This includes a projected \$15.3 million TF increase in Purchase of Services (POS) expenditures. The updated budget also includes an increase of \$26.4 million TF in Operations costs.

The FY 2020-21 updated budget reflects a net increase of \$97.7 million TF (\$17.2 million GF decrease), as compared to the Enacted Budget.

Costs and Fund Sources <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Operations	\$907,268	\$933,647	\$26,379
Purchase of Services	8,440,225	8,455,547	15,322
Early Start Part C/Other Agency Costs	19,094	19,094	0
Early Start Family Resource Services	2,003	2,003	0
Total Costs	\$9,368,590	\$9,410,291	\$41,701
General Fund (GF)	\$5,521,629	\$5,440,502	(\$81,127)
<i>GF Match</i>	2,767,145	2,865,416	98,271
<i>GF Other</i>	2,754,484	2,575,086	(179,398)
Reimbursements	3,790,927	3,914,620	123,693
Program Development Fund/Parental Fees	837	0	(837)
Developmental Disabilities Services Account	150	150	0
Mental Health Services Fund	740	740	0
Federal Funds	54,307	54,279	(28)
Fund Sources	\$9,368,590	\$9,410,291	\$41,701

Population

The updated current year caseload projections reflect a net decrease of 5,438 consumers as compared to the Governor’s Budget. The decrease is primarily attributed to a reduction in new consumer referrals and a resulting decrease in caseload beginning with the onset of the COVID-19 pandemic.

Caseload	Governor’s Budget	May Revision	Difference
Active (Age 3 & Older)	313,354	311,447	(1,907)
Early Start (Birth through 35 Months)	44,465	40,934	(3,531)
Total Community Caseload	357,819	352,381	(5,438)

Regional Center Operations – Caseload

The May Revision Estimate reflects lower caseload projections, primarily in the Early Start program, compared to the 2020 Budget Act. Given the additional workload associated with the COVID-19 pandemic, including but not limited to increased consumer contacts and coordinating access to vaccinations, funding for regional center operations was not adjusted.

Operations – Caseload <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Staffing Expenditures	\$694,577	\$694,577	\$0
Federal Compliance	48,127	48,127	0
Projects	30,915	30,915	0
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	1,782	1,782	0
Total Operations – Caseload	\$775,401	\$775,401	\$0

Regional Center Operations – Policy

There is a net increase of \$26.4 million TF (\$17.8 million GF) in policy expenditures as compared to the Governor's Budget. This is primarily driven by the following:

- Early Start Recovery Efforts (New Policy): Increase of \$27.0 million TF (\$18.0 million GF) to support increased outreach, assessments and eligibility determinations necessary to return to estimated pre-COVID-19 caseload levels. It should be noted, funding for this item was transferred from Purchase of Services, as reflected in a Budget Revision request.
- Medicaid Claiming Adjustment: Decrease of \$621,000 GF reflects the payment in December 2020 for consumers not eligible for federal reimbursements.

Operations – Policy <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Ongoing Operations Policy Items	\$86,866	\$86,866	\$0
DC Closure Ongoing Workload	8,302	8,302	0
Self-Determination Program	4,073	4,073	0
Specialized Caseload Ratio	3,800	3,800	0
Specialized Home Monitoring	6,930	6,930	0
Trauma Informed Services for Foster Youth	1,600	1,600	0
Early Start Recovery Efforts	0	27,000	27,000
Medicaid Claiming Adjustment	20,296	19,675	(621)
Total Operations – Policy	\$131,867	\$158,246	\$26,379

Purchase of Services (POS) – Caseload

Updated POS expenditures reflect a net decrease of \$811,000 (\$85.5 million GF decrease) as compared to the Governor’s Budget. The minor change in total funds reflects updated expenditures by category and the change in GF expenditures reflects updated estimates of reimbursement funding.

Purchase of Services Caseload (Utilization and Growth) <i>(Dollars in Thousands)</i>				
	Governor’s Budget	May Revision	Difference	Percent Change
Community Care Facilities	\$2,175,401	\$2,210,440	\$35,039	1.61%
Medical Facilities	22,744	38,346	15,602	68.60%
Day Programs	1,184,415	1,171,017	(13,398)	(1.13%)
Habilitation Services	140,235	138,547	(1,688)	(1.20%)
<i>Work Activity Program</i>	24,537	24,685	148	0.60%
<i>Supported Employment Program – Group</i>	77,617	78,143	526	0.68%
<i>Supported Employment Program – Individual</i>	38,081	35,719	(2,362)	(6.20%)
Transportation	393,945	325,463	(68,482)	(17.38%)
Support Services	1,849,308	1,870,249	20,941	1.13%
In-Home Respite	810,063	842,221	32,158	3.97%
Out-of-Home Respite	50,463	52,978	2,515	4.98%
Health Care	186,808	192,363	5,555	2.97%
Miscellaneous Services	596,544	567,502	(29,042)	(4.87%)
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	9,623	9,612	(11)	(0.11%)
Total POS – Caseload	\$7,419,549	\$7,418,738	(\$811)	(0.01%)

POS – Policy

There is a net increase of \$16.1 million TF (\$113,000 GF decrease) in policy related expenditures as compared to the Governor’s Budget. This is primarily driven by the following

- Medicaid Claiming Adjustment: Increase of \$2.2 million GF reflects the actual payment in December 2020, for consumers not eligible for federal reimbursements.
- Provider Supplemental Rate Increases: Increase of \$16.1 million TF (\$10.2 million GF) based on updated expenditure data.
- Uniform Holiday Schedule: Decrease of \$2.4 million TF (\$1.7 million GF decrease) based on updated expenditure data.
- Health Facility Rate Increase: Increase of \$221,000 GF based on updated expenditure data.

Purchase of Services – Policy <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Ongoing Purchase of Services Policy Items	\$46,000	\$46,000	\$0
EBSH with DESP	7,500	7,500	0
Electronic Visit Verification Penalty	5,219	5,219	0
Provider Supplemental Rate Increases	436,669	452,799	16,130
SB 3 Minimum Wage Increase Effective January 1, 2021	93,619	93,619	0
Uniform Holiday Schedule	52,639	50,200	(2,439)
Increased Costs for COVID-19	170,000	170,000	0
Health Facility Rate Increase	673	894	221
Youth Returning from Out-of-State Foster Care	900	900	0
Medicaid Claiming Adjustment	207,457	209,678	2,221
Total POS – Policy	\$1,020,676	\$1,036,809	\$16,133

Reimbursements

The updated current year includes a net increase of \$123.7 million in reimbursements as compared to the Governor's Budget. Adjustments are reflected in the table below:

Reimbursements (Dollars in Thousands)			
	Governor's Budget	May Revision	Difference
Home and Community-Based Services (HCBS) Waiver	\$2,682,158	\$2,795,340	\$113,182
HCBS Waiver Administration	17,390	17,316	(74)
Medicaid Administration	18,168	18,168	0
Targeted Case Management	253,302	262,670	9,368
Title XX Block Grant	213,421	213,421	0
(1) Social Services	136,264	136,264	0
(2) Temporary Assistance for Needy Families	77,157	77,157	0
Intermediate Care Facility-Developmentally Disabled State Plan Amendment	65,901	65,836	(65)
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	10,514	10,503	(11)
1915(i) State Plan Amendment	483,458	487,919	4,461
Early Periodic Screening Diagnosis and Treatment	28,299	25,192	(3,107)
Behavioral Health Treatment Fee-for-Service	13,492	13,492	0
Self-Determination Program Waiver	4,824	4,763	(61)
Total Reimbursements	\$3,790,927	\$3,914,620	\$123,693

Federal Funds

The updated current year includes a net decrease of \$28,000 in Federal Funds as compared to the Governor's Budget as reflected below:

Federal Funds (Dollars in Thousands)			
	Governor's Budget	May Revision	Difference
Early Start Part C/Other Agency Costs	\$53,106	\$53,106	\$0
Foster Grandparent Program	1,201	1,173	(28)
Total Federal Funds	\$54,307	\$54,279	(\$28)

FY 2021-22

Costs and Fund Sources

The FY 2021-22 updated Regional Center budget includes \$10.3 billion TF (\$6.2 billion GF), a net increase of \$227.3 million TF (\$115.7 million GF) as compared to the Governor’s Budget. This includes a projected \$65.7 million TF increase in Operations costs, and \$137.1 million TF increase in Purchase of Services expenditures.

Costs and Fund Sources <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Operations	\$940,594	\$1,006,340	\$65,746
Purchase of Services	9,076,396	9,213,458	137,062
Early Start Part C/Other Agency Costs	19,094	43,556	24,462
Early Start Family Resource Services	2,003	2,003	0
Total Costs	\$10,038,087	\$10,265,357	\$227,270
General Fund (GF)	\$6,108,245	\$6,223,905	\$115,660
<i>GF Match</i>	3,205,542	3,287,160	81,618
<i>GF Other</i>	2,902,703	2,936,745	34,042
Reimbursements	3,872,769	3,961,593	88,824
Program Development Fund/Parental Fees	1,876	204	(1,672)
Developmental Disabilities Services Account	150	150	0
Mental Health Services Fund	740	740	0
Federal Funds	54,307	78,765	24,458
Fund Sources	\$10,038,087	\$10,265,357	\$227,270

Population

There is no change in community caseload projection as compared to the Governor’s Budget as the Estimate continues to assume a return to typical caseload growth as the state recovers from the public health emergency.

Caseload	Governor’s Budget	May Revision	Difference
Active (Age 3 & Older)	332,465	332,465	0
Early Start (Birth through 35 Months)	53,966	53,966	0
Total Community Caseload	386,431	386,431	0

Regional Center Operations – Caseload

The budget year includes \$816.2 million TF (\$570.8 million GF) for regional center operations, an increase of \$395,000 (\$2.9 million GF decrease) as compared to the Governor’s Budget.

Operations – Caseload <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Staffing Expenditures	\$733,525	\$733,855	\$330
Federal Compliance	48,349	48,349	0
Projects	32,106	32,171	65
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	1,782	1,782	0
Total Operations – Caseload	\$815,762	\$816,157	\$395

Regional Center Operations – Policy

The budget year includes \$190.2 million TF (\$139.1 million GF) for policies impacting regional center operations, an increase of \$65.4 million TF (\$49.8 million GF) as compared to the Governor’s Budget.

- Specialized Home Monitoring: Increase of \$915,000 TF (\$622,000 GF) - Updated for monitoring additional Enhanced Behavioral Support and Community Crisis Homes, STAR, and ARFPSHN facilities.
- START Training: Increase of \$5.7 million TF (\$4.0 million GF) to include five additional START teams.
- Tribal Engagement for Early Start services (New Policy) to conduct engagement and outreach with the Native American population (\$500,000 GF).
- Enhanced service coordination (New Policy) to support consumers with low or no purchase of service expenditures (\$12.8 million TF, \$10.0 million GF).
- Direct Service Professional training and certification (New Policy) to promote improved consumer access to trained and qualified staff (\$4.3 million TF, \$2.9 million GF). TBL.
- Implicit bias training (New Policy) for regional center staff involved in eligibility determinations (\$700,000 TF, \$553,000 GF). TBL.
- Emergency Preparedness (New Policy) resources to expand emergency preparedness informational materials, provide training and education, equip consumers with emergency go-kits, and enhance availability of back-up batteries and generators for individuals dependent on power for life-sustaining equipment (\$4.3 million GF, \$200,000 ongoing).
- Additional Resources for Individuals Who are Deaf (New Policy), funding 21 regional center deaf services specialists to support the expansion of services for individuals who are deaf, provide training and expertise to regional center staff and coordinate with the Department on statewide efforts. (\$2.4 million TF, \$1.6 million GF).

- Employment Grant (\$14.7 million TF, \$10.0 million GF). DDS funding supports the expanded cooperative efforts with the Department of Rehabilitation to improve the employment rate of individuals with disabilities.
- Performance Incentives (\$3.7 million TF, \$2.5 million GF). This funding supports initial and ongoing efforts to establish a performance improvement program with fiscal incentives for regional centers to meet specified benchmarks. TBL.
- Self-Determination Program Ongoing Implementation (New Policy): Increase of \$7.8 million TF (\$5.2 million GF) for participant choice specialists who will be subject matter experts and provide assistance to individuals with timely transition to program participation and provide assistance to regional center staff and service coordinators. TBL.
- Lanterman Act Provisional Eligibility Ages 3 and 4 (New Policy): Increase of \$7.6 million GF. Funding supports regional center staffing needed to provide services for children who meet provisional eligibility criteria. TBL.

Operations – Policy <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Ongoing Operations Policy Items	\$86,866	\$86,866	\$0
DC Closure Ongoing Workload	8,302	8,302	0
Self-Determination Program	4,073	4,073	0
Specialized Caseload Ratio	4,200	4,200	0
Specialized Home Monitoring	7,400	8,315	915
Trauma Informed Services for Foster Youth	1,600	1,600	0
START Training	4,540	10,215	5,675
Regional Center Emergency Coordinators	2,017	2,017	0
Community Navigators	5,300	5,300	0
Tribal Engagement for Early Start Services	0	500	500
Enhanced Service Coordination	0	12,800	12,800
DSP Training and Certification	0	4,300	4,300
Implicit Bias Training	0	700	700
Emergency Preparedness	0	4,300	4,300
Additional Resources for Individuals Who Are Deaf	0	2,379	2,379
Employment Grant	0	14,706	14,706
Performance Incentives	0	3,676	3,676
Forensic Diversion	534	534	0
Self Determination Ongoing Implementation	0	7,800	7,800
Lanterman Act Provisional Eligibility Ages 3 and 4	0	7,600	7,600
Total Operations – Policy	\$124,832	\$190,183	\$65,351

Purchase of Services (POS) Caseload

The budget year includes \$8.2 billion TF (\$5.1 billion GF) for purchase of services, an increase of \$211.7 million TF (\$117.0 million GF), or a 2.7 percent increase, as compared to the Governor's 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 to the Governor's Budget displayed below.

Purchase of Services Caseload (Utilization and Growth) <i>(Dollars in Thousands)</i>				
	Governor's Budget	May Revision	Difference	Percent Change
Community Care Facilities	\$2,229,993	\$2,319,185	\$89,192	4.00%
Medical Facilities	22,412	51,741	29,329	130.86%
Day Programs	1,251,147	1,256,003	4,856	0.39%
Habilitation Services	141,241	141,080	(161)	(0.11%)
<i>Work Activity Program</i>	20,281	20,404	123	0.61%
<i>Supported Employment Program – Group</i>	74,064	74,798	734	0.99%
<i>Supported Employment Program – Individual</i>	46,896	45,878	(1,018)	(2.17%)
Transportation	419,210	424,563	5,353	1.28%
Support Services	2,023,618	2,056,833	33,215	1.64%
In-Home Respite	928,188	959,831	31,643	3.41%
Out of Home Respite	57,437	57,525	88	0.15%
Health Care	254,266	251,424	(2,842)	(1.12%)
Miscellaneous Services	639,047	660,090	21,043	3.29%
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	9,623	9,612	(11)	(0.11%)
Total POS – Caseload	\$7,976,182	\$8,187,887	\$211,705	2.65%

POS – Policy

The budget year includes \$1.0 billion TF (\$599.6 million GF) for policies impacting regional center purchase of services, a decrease of \$74.6 million TF (\$44.6 million GF) as compared to the Governor's Budget.

- Electronic Visit Verification Penalty Payment: Increase of \$4.2 million GF based on updated expenditure data and a later projected implementation date.
- Provider Supplemental Rate Increase: Increase of \$16.1 million TF (\$11.7 million GF) based on updated expenditure data.
- Uniform Holiday Schedule: Increase of \$917,000 TF (\$818,000 GF) based on updated expenditure data.
- Costs for COVID-19: Decrease of \$125.0 million TF based on updated expenditure projections by category.
- Health Facility Rate Increase: Increase of \$422,000 GF assuming the rate increase will end on December 31, 2021, per the Department of Health Care Services.
- Bilingual Differentials for Direct Service Professionals (New Policy): Increase of \$3.6 million TF (\$2.2 million GF). Funding supports the establishment of a verification process for bilingual competency and provide a differential to increase the availability of staff who are bi/multi-lingual.
- START Training: Increase of \$6.4 million TF (\$4.0 million GF) to support and fund the associated services provided by additional START teams.
- Self-Determination Ongoing Implementation (New Policy): Increase of \$2.5 million TF (\$1.6 million GF) for intensive transition support services for individuals and their families who need greater assistance in transitioning to the Self-Determination Program.
- Lanterman Act Provisional Eligibility Ages 3 and 4 (New Policy): Increase of \$16.2 million GF for services provided to children who meet the proposed provisional eligibility criteria.

Purchase of Services – Policy <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Ongoing Purchase of Services Policy Items	\$46,000	\$46,000	\$0
Electronic Visit Verification Penalty	5,822	10,020	4,198
Provider Supplemental Rate Increases	454,634	470,762	16,128
SB 3 Minimum Wage Increase Effective January 1, 2021	198,626	198,626	0
Uniform Holiday Schedule	55,895	56,812	917
Increased Costs for COVID-19	175,000	50,000	(125,000)
Health Facility Rate Increase	0	422	422
SB 3 Minimum Wage Increase Effective January 1, 2022	159,237	159,237	0
Youth Returning from Out-of-State Foster Care	1,800	1,800	0
Bilingual Differentials for Direct Service Professionals	0	3,600	3,600
Forensic Diversion	3,200	3,200	0
START Training	0	6,392	6,392
Self Determination Ongoing Implementation	0	2,500	2,500
Lanterman Act Provisional Eligibility Ages 3 and 4	0	16,200	16,200
Total POS – Policy	\$1,100,214	\$1,025,571	(\$74,643)

Reimbursements

The budget year includes \$4.0 billion in reimbursements, an increase of \$88.8 million as compared to the Governor’s Budget. Adjustments are reflected in the table below and include the impact of assumed December 31, 2021 suspension of the temporary 6.2 percent enhanced Federal Medical Assistance Percentage (FMAP) authorized by the Families First Coronavirus Response Act.

Reimbursements <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Home and Community-Based Services (HCBS) Waiver	\$2,767,125	\$2,805,082	\$37,957
HCBS Waiver Administration	19,903	21,514	1,611
Medicaid Administration	18,168	18,168	0
Targeted Case Management	251,204	268,746	17,542
Title XX Block Grant	213,421	213,421	0
(1) Social Services	136,264	136,264	0
(2) Temporary Assistance for Needy Families	77,157	77,157	0
Intermediate Care Facility-Developmentally Disabled State Plan Amendment	62,266	62,207	(59)
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	10,514	10,503	(11)
1915(i) State Plan Amendment	466,268	497,281	31,013
Early Periodic Screening Diagnosis and Treatment	38,117	31,946	(6,171)
Behavioral Health Treatment Fee-for-Service	13,492	13,492	0
Self-Determination Program Waiver	12,291	19,233	6,942
Total Reimbursements	\$3,872,769	\$3,961,593	\$88,824

Federal Funds

The budget year includes \$78.8 million in Federal Funds, a net increase of \$24.5 million as compared to the Governor’s Budget. The increase reflects the estimated American Rescue Plan IDEA Supplemental Grant Allocations.

Federal Funds <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Early Start Part C/Other Agency Costs	\$53,106	\$77,625	\$24,519
Foster Grandparent Program	1,201	1,140	(61)
Total Federal Funds	\$54,307	\$78,765	\$24,458

STATE OPERATED FACILITIES**FY 2020-21**

The 2021 May Revision reflects \$363.7 million TF (\$315.6 million GF), reflects no change from the Governor's Budget.

Costs and Fund Sources (Dollars in Thousands)			
	Governor's Budget	May Revision	Difference
Personal Services	\$233,958	\$233,958	\$0
Operating Expenses and Equipment	121,265	121,265	0
Lease Revenue Bond	8,480	8,480	0
Total Costs	\$363,703	\$363,703	\$0
General Fund (GF)	\$315,616	\$315,616	\$0
<i>GF Match</i>	35,416	35,415	0
<i>GF Other</i>	280,200	280,200	0
Reimbursements	47,961	47,961	0
Lottery Fund	126	126	0
Fund Sources	\$363,703	\$363,703	\$0

FY 2021-22

The FY 2021-22 reflects \$327.4 million TF (\$292.2 million GF), is a net decrease of \$16.7 million GF as compared to the Governor's Budget due to the adjustments in funding for COVID-19 response at the Fairview and Porterville facilities and deferred maintenance funding.

Costs and Fund Sources (Dollars in Thousands)			
	Governor's Budget	May Revision	Difference
Personal Services	\$259,253	\$259,253	\$0
Operating Expenses and Equipment	75,707	58,986	(16,721)
Lease Revenue Bond	9,151	9,151	0
Total Costs	\$344,111	\$327,390	(\$16,721)
General Fund (GF)	\$308,946	\$292,225	(\$16,721)
<i>GF Match</i>	25,471	25,471	0
<i>GF Other</i>	283,475	266,754	(16,721)
Reimbursements	35,039	35,039	0
Lottery Fund	126	126	0
Fund Sources	\$344,111	\$327,390	(\$16,721)

Policy

There is a decrease of \$16.7 million GF in policy expenditures as compared to Governor's Budget.

- COVID-19 Response: A net decrease of \$21.7 million GF associated with a reduction in the projected costs to support consumers diagnosed with, exposed to, or at high risk of COVID-19.
- Deferred Maintenance: A net increase of \$5.0 million GF for deferred maintenance projects.

Capital Outlay

The May Revision includes an increase of \$4.1 million GF for the construction phase in the Fire Sprinkler System Project at Porterville Developmental Center.

HEADQUARTERS**FY 2020-21**

The 2021 May Revision reflects \$107.9 million TF (\$65.8 million GF) which is no change from the Governor's Budget.

FY 2021-22

The 2021-22 May Revision reflects \$130.8 million TF (\$80.4 million GF), a net increase of \$7.2 million TF (\$6.9 million GF) compared to the Governor's Budget. The net increase is comprised of three spring finance letters (SFL). The changes include:

- Allenby Building Move Phase 3 SFL – Increase of one (1.0) IT Specialist I position and \$147,000 GF on a two-year limited term basis to assist with the information technology support related to onboarding at the Allenby Building. In addition, \$5.1 million GF for rent, decommissioning of the Bateson building, document storage, and equipment necessary for occupancy in the Allenby building.
- Deaf Specialist SFL – Increase of \$197,000 TF (\$158,000 GF) and one (1.0) Career Executive Assignment (CEA), Level A position to provide statewide leadership and subject matter expertise on the provision of services and supports for individuals who are deaf and have intellectual or developmental disabilities.
- Performance Incentives SFL – Increase of \$1.9 million TF (\$1.5 million GF) to fund initial and ongoing efforts to establish a performance improvement program with fiscal incentives for regional centers to meet specified benchmarks and measures, with an initial focus on reducing caseload ratios.