

Department of Developmental Services

2022 May Revision 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**

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DEPARTMENT OF DEVELOPMENTAL SERVICES 2022 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 intellectual and developmental disabilities to lead more independent, productive, and integrated lives. Additionally, the Early Start Program provides 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 371,388 in the current year and increase to 400,485 in fiscal year (FY) 2022-23. In addition, 322 individuals are projected to be served in state-operated facilities as of July 1, 2022. The May Revision Estimate reflects a reduction of 15,043 individuals when compared to the Governor's Budget.

The May Revision Estimate continues to support the needs of consumers during the public health crisis and reflects the need for increased supports in specified service categories. The May Revision Estimate also proposes new policies to continue efforts to improve service access and to achieve better outcomes and consumer experiences.

2022 MAY REVISION SUMMARY

The 2022 May Revision updates the Department's FY 2021-22 budget to include \$10.8 billion total funds (TF) (\$6.3 billion General Fund [GF]) and includes \$12.7 billion TF (\$7.6 billion GF) for FY 2022-23; a net increase of \$1.9 billion TF (\$1.4 billion GF) over the updated FY 2021-22 budget, or a 17.2 percent TF increase.

In addition to caseload and utilization updates, the proposed FY 2022-23 funding supports the following new and updated items:

- Promoting Workforce Stability (\$186.4 million TF, \$186.2 million GF): The Budget includes \$185.3 million one-time funding and funding for seven headquarters positions ongoing to support efforts to address current and emerging workforce challenges among workers who provide direct services and regional center consumer service coordinators.
- SB 3, Effective January 1, 2023, Consumer Price Index Adjustment (\$59.4 million TF, \$35.1 million GF): The Budget includes funding for the January 1, 2023 minimum wage increase from \$15.00 to \$15.50 for all employers.
- Service Access and Equity Grant Program (\$11.8 million TF, \$11.6 million GF): The Budget includes an additional \$11.0 million one-time funding and four headquarters positions to increase funding available in the Service Access and Equity Grant Program and support ongoing workload associated with monitoring existing and future grant applications and awards.

- Financial Management Services for Participants in the Self-Determination Program (\$7.2 million TF, \$4.4 million GF): The Budget includes funding to move payments for Financial Management Services for Self-Determination Program participants outside of their individual budgets.
- Early Start Eligibility (\$6.5 million GF): The Budget includes funding to support regional center operations and provide purchase of service resources to support revised statutory eligibility provisions for early intervention services, including: lowering the eligibility threshold for developmental delay from 33 percent to 25 percent; separating communication delays into two distinct categories (expressive and/or receptive language); and identifying Fetal Alcohol Syndrome as a risk factor for developmental delays.
- Disposition of Fairview Developmental Center (\$3.5 million GF): One-time funding for the Department to allocate to the City of Costa Mesa to facilitate disposition of the Fairview Developmental Center property.
- Half-Day Billing Elimination (\$2.8 million TF, \$1.9 million GF): The Budget includes funding to reflect the elimination of the half-day billing policy for service providers.
- Continuing emergency planning and preparedness investments made in FY 2021-22, the May Revision includes \$850,000 General Fund on an ongoing basis to continue the distribution of emergency go-bags and batteries and other foundational activities that protect the health and safety of individuals.

April 1, 2022 Finance Letters include:

- Division of Community Assistance and Resolutions (\$4.4 million TF, \$3.7 million GF): The Budget includes 20.0 positions and contracting costs for the interagency agreement with the Department of General Services to partner on improvements to the state hearings and appeals process.
- Research and Data Enhancements (\$2.5 million TF, \$2.0 million GF): The Budget includes 19.0 positions to enhance data collection, analysis, sharing and reporting as well as enable sufficient technical infrastructure support for new and continuing program initiatives that emphasize person-centered outcomes and equitable access and services within the developmental services system.
- Facility Clinical Software Replacement and Electronic Health Record Implementation (\$1.7 million TF, \$1.6 million GF): The Budget includes five positions and contracting costs to plan for the replacement of clinical software used at the state-operated residential facilities.
- Resources for e-Signature/e-Forms and Accounting Support (\$436,000 TF, \$409,000 GF): The Budget includes four positions and consulting resources for implementation and maintenance of an electronic forms (e-Forms) and signature (e-Signature) system.

Program Highlights

(Dollars in Thousands)

	FY 2021-22*	FY 2022-23	Difference
Community Services Program			
Regional Centers	\$10,309,882	\$12,187,693	\$1,877,811
Total, Community Services	\$10,309,882	\$12,187,693	\$1,877,811
General Fund	\$5,893,947	\$7,257,257	\$1,363,310
Program Development Fund	\$204	\$434	\$230
Developmental Disabilities Services Account	\$150	\$150	\$0
Federal Trust Fund	\$87,741	\$53,991	(\$33,750)
Reimbursements	\$4,090,004	\$4,239,772	\$149,768
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$149,478	\$384,572	\$235,094
HCBS ARPA Reimbursements	\$87,618	\$250,777	\$163,159
State Operated Facilities Program			
Personal Services	\$263,915	\$267,397	\$3,482
Operating Expense & Equipment	\$68,165	\$48,873	(\$19,292)
Total, State Operated Facilities	\$332,080	\$316,270	(\$15,810)
General Fund	\$295,376	\$281,860	(\$13,516)
Lottery Education Fund	\$130	\$130	\$0
Reimbursements	\$36,574	\$34,280	(\$2,294)
Headquarters Support			
Personal Services	\$94,947	\$102,817	\$7,870
Operating Expense & Equipment	\$62,593	\$47,173	(\$15,420)
Total, Headquarters Support	\$157,540	\$149,990	(\$7,550)
General Fund	\$89,818	\$93,410	\$3,592
Federal Trust Fund	\$2,742	\$2,787	\$45
Program Development Fund	\$425	\$425	\$0
Reimbursements	\$50,294	\$46,607	(\$3,687)
Mental Health Services Fund	\$511	\$511	\$0
HCBS ARPA	\$11,000	\$5,000	(\$6,000)
HCBS ARPA Reimbursements	\$2,750	\$1,250	(\$1,500)
Total, All Programs	\$10,799,502	\$12,653,953	\$1,854,451
Total Funding			
General Fund	\$6,279,141	\$7,632,527	\$1,353,386
Federal Trust Fund	\$90,483	\$56,778	(\$33,705)
Lottery Education Fund	\$130	\$130	\$0
Program Development Fund	\$629	\$859	\$230
Developmental Disabilities Services Account	\$150	\$150	\$0
Reimbursements	\$4,176,872	\$4,320,659	\$143,787
Mental Health Services Fund	\$1,251	\$1,251	\$0
HCBS ARPA	\$160,478	\$389,572	\$229,094
HCBS ARPA Reimbursements	\$90,368	\$252,027	\$161,659
Total, All Funds	\$10,799,502	\$12,653,953	\$1,854,451

*Does not include \$2.7 million deferred maintenance re-appropriation in FY 2021-22.

**Program Highlights
(CONTINUED)**

	FY 2021-22	FY 2022-23	Difference
Caseloads			
State Operated Facilities	322	322	0
Regional Centers*	371,388	400,485	29,097
Departmental Positions			
State Operated Facilities	1,955.2	1,955.2	0.0
Headquarters	519.0	608.0	89.0

*Does not include children who meet provisional eligibility.

COMMUNITY SERVICES PROGRAM

FY 2021-22

Costs and Fund Sources

The FY 2021-22 updated regional center budget includes \$10.3 billion TF (\$5.9 billion GF), a net decrease of \$77.4 million TF (\$49.1 million GF) as compared to the Governor’s Budget. This includes a projected decrease of \$92.8 million TF in purchase of services (POS) expenditures and an increase of \$12.5 million TF in operations costs.

The FY 2021-22 updated budget reflects a net decrease of \$193.7 million TF (\$337.9 million GF), as compared to the Enacted Budget.

Costs and Fund Sources <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Operations	\$1,046,278	\$1,058,737	\$12,459
Purchase of Services	\$9,295,961	\$9,203,175	(\$92,786)
Early Start Part C/Other Agency Costs	\$43,024	\$45,967	\$2,943
Early Start Family Resource Services	\$2,003	\$2,003	\$0
Total Costs	\$10,387,266	\$10,309,882	(\$77,384)
General Fund (GF)	\$5,943,001	\$5,893,947	(\$49,054)
<i>GF Match</i>	\$3,037,942	\$2,985,812	(\$52,130)
<i>GF Other</i>	\$2,905,059	\$2,908,135	\$3,076
Reimbursements	\$4,130,909	\$4,090,004	(\$40,905)
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	\$149,478	\$10,628
HCBS ARPA Reimbursements	\$88,614	\$87,618	(\$996)
Federal Funds	\$84,798	\$87,741	\$2,943
Fund Sources	\$10,387,266	\$10,309,882	(\$77,384)

Population

The updated current year caseload projections reflect a net decrease of 15,043 in projected consumers compared to the Governor’s Budget. However, this reflects an increase of 19,007 individuals compared to the prior year (2020-21).

Caseload*	Governor’s Budget	May Revision	Difference
Active (Age 3 & Older)	332,465	323,144	(9,321)
Early Start (Birth through 35 Months)	53,966	48,244	(5,722)
Total Community Caseload	386,431	371,388	(15,043)

*Does not include children who meet provisional eligibility.

Regional Center Operations – Caseload

The May Revision Estimate reflects a decrease of \$41,000 TF (\$10.4 million GF increase) as compared to the Governor’s Budget. Increase in GF is due to a decrease of \$10.7 million in reimbursement.

Operations – Caseload <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Staffing Expenditures	\$833,073	\$833,073	\$0
Federal Compliance	\$48,349	\$48,349	\$0
Projects	\$32,171	\$32,171	\$0
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$1,688	\$1,647	(\$41)
Total Operations – Caseload	\$915,281	\$915,240	(\$41)

Regional Center Operations – Policy

The current year includes \$143.5 million TF (\$43.6 million GF) for policies impacting regional center operations, an increase of \$12.5 million HCBS ARPA funding for the Enhanced Community Integration for Children and Adolescents initiative. Funding related to this policy was previously included in the DDS headquarters budget.

Operations – Policy <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Specialized Caseload Ratio	\$4,200	\$4,200	\$0
Specialized Home Monitoring	\$8,315	\$8,315	\$0
Trauma Informed Services for Foster Youth	\$1,600	\$1,600	\$0
Systemic Therapeutic Assessment Resources and Treatment (START) Training	\$10,215	\$10,215	\$0
Regional Center Emergency Coordinators	\$2,017	\$2,017	\$0
Community Navigators	\$5,300	\$5,300	\$0
Tribal Engagement for Early Start Services	\$500	\$500	\$0
Enhanced Service Coordination	\$12,800	\$12,800	\$0
DSP Workforce Training and Development	\$4,300	\$4,300	\$0
Implicit Bias Training	\$7,029	\$7,029	\$0
Emergency Preparedness	\$4,300	\$4,300	\$0
Resources to Support Individuals Who Are Deaf	\$2,379	\$2,379	\$0
Employment Grant	\$14,706	\$14,706	\$0
Performance Incentives Program	\$3,676	\$3,676	\$0
Language Access and Cultural Competency	\$16,667	\$16,667	\$0
Health and Safety Waiver Assistance	\$4,412	\$4,412	\$0
Enhanced Community Integration for Children and Adolescents	\$0	\$12,500	\$12,500
Forensic Diversion	\$534	\$534	\$0
Self-Determination Ongoing Implementation	\$7,800	\$7,800	\$0
Lanterman Act Provisional Eligibility Ages 3 and 4	\$7,600	\$7,600	\$0
Service Provider Rate Reform	\$12,647	\$12,647	\$0
Total Operations – Policy	\$130,997	\$143,497	\$12,500

Purchase of Services (POS) – Caseload

Updated POS expenditures reflect a net decrease of \$84.7 million TF (\$50.7 million GF) as compared to the Governor’s Budget. The decrease in total funds reflects updated expenditures by category and a slower recovery to pre-COVID-19 trends.

Purchase of Services Caseload (Utilization and Growth) (Dollars in Thousands)			
	Governor’s Budget	May Revision	Difference
Community Care Facilities	\$2,609,939	\$2,573,316	(\$36,623)
Medical Facilities	\$43,036	\$37,529	(\$5,507)
Day Programs	\$1,365,380	\$1,377,573	\$12,193
Habilitation Services	\$132,688	\$131,124	(\$1,564)
<i>Work Activity Program</i>	\$19,247	\$19,267	\$20
<i>Supported Employment Program – Group</i>	\$75,107	\$74,498	(\$609)
<i>Supported Employment Program – Individual</i>	\$38,334	\$37,359	(\$975)
Transportation	\$370,920	\$373,382	\$2,462
Support Services	\$2,298,543	\$2,255,873	(\$42,670)
In-Home Respite	\$1,097,217	\$1,100,875	\$3,658
Out-of-Home Respite	\$67,782	\$68,580	\$798
Health Care	\$231,511	\$208,407	(\$23,104)
Miscellaneous Services	\$674,177	\$680,098	\$5,921
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$9,115	\$8,893	(\$222)
Total POS – Caseload	\$8,900,308	\$8,815,650	(\$84,658)

POS – Policy

There is a net decrease of \$8.1 million TF (\$3.1 million GF) in policy related expenditures as compared to the Governor’s Budget. This is primarily driven by the following:

- SB 3, Minimum Wage Increase, Effective January 1, 2022: Decrease of \$5.3 million TF (\$3.1 million GF) based on updated expenditure data.
- Social Recreation and Camping Services: Decrease of \$2.9 million HCBS ARPA funding based on updated expenditure data.

Purchase of Services – Policy <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Ongoing Purchase of Service Items	\$46,000	\$46,000	\$0
Electronic Visit Verification Penalty	\$10,220	\$10,220	\$0
Health Facility Rate Increase	\$1,103	\$1,103	\$0
SB 3, Minimum Wage Increase, Effective January 1, 2022	\$106,488	\$101,228	(\$5,260)
Youth Returning from Out-of-State Foster Care	\$1,800	\$1,800	\$0
Bilingual Differentials for Direct Service Professionals	\$3,600	\$3,600	\$0
Social Recreation and Camping Services	\$29,400	\$26,532	(\$2,868)
Coordinated Family Support Services	\$41,667	\$41,667	\$0
Forensic Diversion	\$3,200	\$3,200	\$0
START Training	\$6,392	\$6,392	\$0
Self-Determination Ongoing Implementation	\$2,500	\$2,500	\$0
Lanterman Act Provisional Eligibility Ages 3 and 4	\$16,200	\$16,200	\$0
Service Provider Rate Reform	\$127,083	\$127,083	\$0
Total POS – Policy	\$395,653	\$387,525	(\$8,128)

American Rescue Plan Act (ARPA) Funding

There is a net increase of \$9.6 million as compared to the Governor’s Budget, inclusive of purchase of services and operations, due to updated expenditures and funding for the Enhanced Community Integration for Children and Adolescents initiative, funding for which was shifted from headquarters to regional center operations.

American Rescue Plan Act Funding <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
HCBS ARPA	\$138,850	\$149,478	\$10,628
HCBS ARPA Reimbursements	\$88,614	\$87,618	(\$996)
Total HCBS ARPA	\$227,464	\$237,096	\$9,632

Reimbursements

The updated current year reflects a net decrease of \$40.9 million in reimbursements as compared to the Governor’s Budget. Adjustments are reflected in the table below.

Reimbursements <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Home and Community-Based Services (HCBS) Waiver	\$2,926,868	\$2,913,190	(\$13,678)
HCBS Waiver Administration	\$19,821	\$19,821	\$0
Medicaid Administration	\$19,048	\$19,048	\$0
Targeted Case Management	\$294,680	\$284,024	(\$10,656)
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	\$63,256	\$61,713	(\$1,543)
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$9,959	\$9,717	(\$242)
1915(i) State Plan Amendment	\$522,254	\$518,530	(\$3,724)
Early Periodic Screening Diagnosis and Treatment	\$28,514	\$23,761	(\$4,753)
Behavioral Health Treatment Fee-for-Service	\$13,296	\$13,501	\$205
Self-Determination Program Waiver	\$19,792	\$13,278	(\$6,514)
Total Reimbursements	\$4,130,909	\$4,090,004	(\$40,905)

Federal Funds

The updated current year reflects a net increase of \$2.9 million in federal funds as compared to the Governor’s Budget. The increase is due to an increase in the American Rescue Plan IDEA Supplemental Grant.

Federal Funds <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Early Start Part C/Other Agency Costs	\$83,658	\$86,601	\$2,943
Foster Grandparent Program	\$1,140	\$1,140	\$0
Total Federal Funds	\$84,798	\$87,741	\$2,943

FY 2022-23

Costs and Fund Sources

The FY 2022-23 Regional Center budget includes \$12.2 billion TF (\$7.3 billion GF), a net increase of \$269.0 million TF (\$125.4 million GF) as compared to the Governor’s Budget. This includes a projected \$186.5 million TF increase in operations costs, and \$82.5 million TF increase in purchase of services expenditures.

Costs and Fund Sources			
<i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Operations	\$1,222,245	\$1,408,779	\$186,534
Purchase of Services	\$10,675,360	\$10,757,816	\$82,456
Early Start Part C/Other Agency Costs	\$19,094	\$19,095	\$1
Early Start Family Resource Services	\$2,003	\$2,003	\$0
Total Costs	\$11,918,702	\$12,187,693	\$268,991
General Fund (GF)	\$7,131,876	\$7,257,257	\$125,381
<i>GF Match</i>	\$3,850,655	\$3,742,221	<i>(\$108,434)</i>
<i>GF Other</i>	\$3,281,221	\$3,515,036	\$233,815
Reimbursements	\$4,099,188	\$4,239,772	\$140,584
Program Development Fund/Parental Fees	\$204	\$434	\$230
Developmental Disabilities Services Account	\$150	\$150	\$0
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$382,700	\$384,572	\$1,872
HCBS ARPA Reimbursements	\$249,781	\$250,777	\$996
Federal Funds	\$54,063	\$53,991	<i>(\$72)</i>
Fund Sources	\$11,918,702	\$12,187,693	\$268,991

Population

The Department is forecasting a decrease of 7,149 in projected consumers as compared to the Governor’s Budget.

Caseload*	Governor’s Budget	May Revision	Difference
Active (Age 3 & Older)	349,619	342,570	(7,049)
Early Start (Birth through 35 Months)	58,015	57,915	(100)
Total Community Caseload	407,634	400,485	(7,149)

*Does not include children who meet provisional eligibility.

Regional Center Operations – Caseload

The budget year includes \$949.8 million TF (\$671.0 million GF) for regional center operations, a decrease of \$5.5 million (\$3.9 million GF increase) as compared to the Governor’s Budget. The decrease is mainly attributed to anticipated change in caseload.

Operations – Caseload <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Staffing Expenditures	\$870,248	\$864,489	(\$5,759)
Federal Compliance	\$49,271	\$49,271	\$0
Projects	\$34,051	\$34,396	\$345
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$1,688	\$1,647	(\$41)
Total Operations – Caseload	\$955,258	\$949,803	(\$5,455)

Regional Center Operations – Policy

The budget year includes \$459.0 million TF (\$351.8 million GF) for policies impacting regional center operations, an increase of \$192.0 million TF (\$185.0 million GF) as compared to the Governor’s Budget.

Updated Policies:

- DSP Workforce Training and Development: Decrease of \$11.9 million TF (\$8.1 million GF) to reflect funding shift to purchase of services for DSPs who complete additional training and certification.
- Resources to Support Individuals Who Are Deaf: Increase of \$2.1 million TF (\$1.5 million GF) to include interpretation services costs.
- Specialized Home Monitoring: Increase of \$2.1 million TF (\$1.4 million GF) to reflect revised salary assumptions.
- Emergency Preparedness: Increase of \$850,000 GF to provide a baseline budget for new purchases / replenishment of emergency go-bags and batteries, training, crisis communications support, and other activities.

New Policies:

- Promoting Workforce Stability: Increase of \$185.3 million GF to support a multi-pronged workforce development strategy.
- Service Access and Equity Grant Program: Increase of \$11.0 million GF to reflect one-time additional grant funding.
- Early Start Eligibility: Increase of \$2.5 million GF for increased caseload related to revising statutory eligibility provisions for early intervention services through the Early Start Program.

Operations – Policy <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Specialized Caseload Ratio	\$4,400	\$4,400	\$0
Specialized Home Monitoring	\$10,201	\$12,284	\$2,083
Trauma Informed Services for Foster Youth	\$1,600	\$1,600	\$0
Regional Center Emergency Coordinators	\$2,500	\$2,500	\$0
Community Navigators	\$5,300	\$5,300	\$0
Tribal Engagement for Early Start Services	\$500	\$500	\$0
Enhanced Service Coordination	\$14,172	\$14,172	\$0
DSP Workforce Training and Development	\$16,200	\$4,300	(\$11,900)
Implicit Bias Training	\$7,029	\$7,029	\$0
Emergency Preparedness	\$200	\$1,050	\$850
Resources to Support Individuals Who Are Deaf	\$2,379	\$4,505	\$2,126
Performance Incentives Program	\$87,500	\$87,500	\$0
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	\$550	\$550	\$0
Reduced Caseload Ratio for Children through Age 5	\$51,084	\$51,084	\$0
Early Start – Part C to B Transitions	\$13,167	\$13,167	\$0
Service Access and Equity Grant Program	\$0	\$11,000	\$11,000
Promoting Workforce Stability	\$0	\$185,300	\$185,300
Forensic Diversion	\$534	\$534	\$0
Self-Determination Ongoing Implementation	\$7,800	\$7,800	\$0
Lanterman Act Provisional Eligibility Ages 3 and 4	\$8,145	\$8,145	\$0
Service Provider Rate Reform	\$12,647	\$12,647	\$0
Early Start Eligibility	\$0	\$2,530	\$2,530
Total Operations – Policy	\$266,987	\$458,976	\$191,989

Purchase of Services (POS) Caseload

The budget year includes \$9.7 billion TF (\$6.1 billion GF) for purchase of services, an increase of \$2.4 million TF (\$2.6 million GF), as compared to the Governor's Budget. The net increase is primarily due to continued caseload and utilization changes in various budget categories.

Purchase of Services Caseload (Utilization and Growth) <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Community Care Facilities	\$2,751,449	\$2,755,164	\$3,715
Medical Facilities	\$59,052	\$52,329	(\$6,723)
Day Programs	\$1,407,794	\$1,429,208	\$21,414
Habilitation Services	\$126,829	\$128,886	\$2,057
<i>Work Activity Program</i>	\$15,095	\$15,692	\$597
<i>Supported Employment Program – Group</i>	\$69,142	\$70,704	\$1,562
<i>Supported Employment Program – Individual</i>	\$42,592	\$42,490	(\$102)
Transportation	\$468,788	\$472,885	\$4,097
Support Services	\$2,485,930	\$2,480,167	(\$5,763)
In-Home Respite	\$1,284,971	\$1,304,544	\$19,573
Out of Home Respite	\$63,907	\$64,848	\$941
Health Care	\$316,953	\$251,274	(\$65,679)
Miscellaneous Services	\$736,936	\$765,888	\$28,952
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$9,115	\$8,893	(\$222)
Total POS – Caseload	\$9,711,724	\$9,714,086	\$2,362

POS – Policy

The budget year includes \$1.0 billion TF (\$160.9 million GF) for policies impacting regional center purchase of services, an increase of \$80.1 million TF (\$66.1 million GF decrease) as compared to the Governor’s Budget.

Updated Policies:

- DSP Workforce Training and Development: Increase of \$11.9 million TF (\$7.9 million GF) to fund DSPs who complete additional training and certification.
- SB 3, Minimum Wage Increase, Effective January 1, 2022: Decrease of \$9.5 million TF (\$5.6 million GF) based upon updated expenditure data.
- Social Recreation and Camping Services: Increase of \$2.9 million HCBS ARPA Funding based upon updated expenditure data.
- Health Facility Rate Increase: Increase of \$1.4 million GF to reflect a permanent ten percent rate increase to align with the Department of Health Care Services.

New Policies:

- SB 3, Effective January 1, 2023, CPI Adjustment: Increase of \$59.4 million TF (\$35.1 million GF) for the January 1, 2023 increase in the minimum wage to \$15.50 for all employers.
- Financial Management Services for Self-Determination Program Participants: Increase of \$7.2 million TF (\$4.4 million GF) to fund the payment of Financial Management Services for Self-Determination Program participants outside of their individual budgets.
- Early Start Eligibility: Increase of \$4.0 million GF to provide purchase of service resources associated with revising statutory eligibility provisions.
- Half-Day Billing Elimination: Increase of \$2.8 million TF (\$1.9 million GF) to fund the elimination of the half-day billing policy for service providers.

Purchase of Services – Policy <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Ongoing Purchase of Service Items	\$46,000	\$46,000	\$0
Health Facility Rate Increase	\$0	\$1,421	\$1,421
SB 3, Minimum Wage Increase, Effective January 1, 2022	\$237,810	\$228,357	(\$9,453)
Youth Returning from Out-of-State Foster Care	\$1,800	\$1,800	\$0
Bilingual Differentials for Direct Service Professionals	\$7,200	\$7,200	\$0
Social Recreation and Camping Services	\$49,000	\$51,868	\$2,868
SB 3, Minimum Wage Increase, Effective January 1, 2023	\$4,146	\$4,064	(\$82)
SB 3, Effective January 1, 2023, CPI Adjustment	\$0	\$59,433	\$59,433
WAP: New Service Model	\$8,233	\$8,233	\$0
Financial Management Services for Self-Determination Program Participants	\$0	\$7,200	\$7,200
Half-Day Billing Elimination	\$0	\$2,845	\$2,845
Forensic Diversion	\$3,200	\$3,200	\$0
START Training	\$17,865	\$17,865	\$0
DSP Workforce Training and Development	\$0	\$11,900	\$11,900
Resources to Support Individuals Who Are Deaf	\$14,300	\$14,300	\$0
Self-Determination Ongoing Implementation	\$2,500	\$2,500	\$0
Lanterman Act Provisional Eligibility Ages 3 and 4	\$17,415	\$17,415	\$0
Service Provider Rate Reform	\$554,167	\$554,167	\$0
Early Start Eligibility	\$0	\$3,962	\$3,962
Total POS – Policy	\$963,636	\$1,043,730	\$80,094

American Rescue Plan Act Funding

The budget year includes \$384.6 million in HCBS ARPA funding and \$250.8 million in matching reimbursements, inclusive of purchase of services and operations. This reflects an increase of \$1.9 million and \$996,000, respectively as compared to the Governor's Budget, reflecting a shift in expenditures between current year and budget year. Adjustments are reflected in the table below:

American Rescue Plan Funding <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
HCBS ARPA	\$382,700	\$384,572	\$1,872
HCBS ARPA Reimbursements	\$249,781	\$250,777	\$996
Total HCBS ARPA	\$632,481	\$635,349	\$2,868

Reimbursements

The budget year includes \$4.2 billion in reimbursements, an increase of \$140.6 million as compared to the Governor's Budget. Adjustments are reflected in the table below and the main driver is due to the impact of the temporary 6.2 percentage point increase authorized by the Families First Coronavirus Response Act (FFRCA), which is anticipated to continue through September 30, 2022.

Reimbursements (Dollars in Thousands)			
	Governor's Budget	May Revision	Difference
Home and Community-Based Services (HCBS) Waiver	\$2,865,498	\$2,992,251	\$126,753
HCBS Waiver Administration	\$24,708	\$21,574	(\$3,134)
Medicaid Administration	\$19,048	\$19,048	\$0
Targeted Case Management	\$312,457	\$313,240	\$783
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	\$56,277	\$56,606	\$329
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$9,959	\$9,717	(\$242)
1915(i) State Plan Amendment	\$515,380	\$537,175	\$21,795
Early Periodic Screening Diagnosis and Treatment	\$27,272	\$26,164	(\$1,108)
Behavioral Health Treatment Fee-for-Service	\$13,296	\$13,501	\$205
Self-Determination Program Waiver	\$41,872	\$37,075	(\$4,797)
Total Reimbursements	\$4,099,188	\$4,239,772	\$140,584

Federal Funds

The budget year includes \$54.0 million in federal funds, a net decrease of \$72,000 as compared to the Governor's Budget.

Federal Funds (Dollars in Thousands)			
	Governor's Budget	May Revision	Difference
Early Start Part C/Other Agency Costs	\$52,923	\$52,851	(\$72)
Foster Grandparent Program	\$1,140	\$1,140	\$0
Total Federal Funds	\$54,063	\$53,991	(\$72)

STATE OPERATED FACILITIES

FY 2021-22

The FY 2021-22 updated state operated facilities budget includes \$332.1 million TF (\$295.4 million GF), a net decrease of \$3.0 million GF compared to the Governor’s Budget. The decrease is due to the transfer of \$3.0 million from the state operated facilities budget to headquarters to support anticipated participation in the leave balance buyback program.

Costs and Fund Sources			
<i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Personal Services	\$266,915	\$263,915	(\$3,000)
Operating Expenses and Equipment	\$58,990	\$58,990	\$0
Lease Revenue Bond	\$9,154	\$9,175	\$21
Total Costs	\$335,059	\$332,080	(\$2,979)
General Fund (GF)	\$298,355	\$295,376	(\$2,979)
<i>GF Match</i>	\$23,888	\$23,888	\$0
<i>GF Other</i>	\$274,467	\$271,488	(\$2,979)
Reimbursements	\$36,574	\$36,574	\$0
Lottery Fund	\$130	\$130	\$0
Fund Sources	\$335,059	\$332,080	(\$2,979)

FY 2022-23

The FY 2022-23 includes \$316.3 million (\$281.9 million GF), an increase of \$750,000 TF (\$30,000 GF decrease) compared to the Governor’s Budget due to an increase in reimbursements with the extension of the temporary 6.2 percentage authorized by the FFCRA, which is anticipated to continue through September 30, 2022.

Costs and Fund Sources			
<i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Personal Services	\$267,397	\$267,397	\$0
Operating Expenses and Equipment	\$38,965	\$39,715	\$750
Lease Revenue Bond	\$9,158	\$9,158	\$0
Total Costs	\$315,520	\$316,270	\$750
General Fund (GF)	\$281,890	\$281,860	(\$30)
<i>GF Match</i>	\$27,051	\$26,271	(\$780)
<i>GF Other</i>	\$254,839	\$255,589	\$750
Reimbursements	\$33,500	\$34,280	\$780
Lottery Fund	\$130	\$130	\$0
Fund Sources	\$315,520	\$316,270	\$750

Capital Outlay

The May Revision includes a supplemental appropriation of \$1.1 million GF in FY 2022-23 for the fire sprinkler system capital outlay project at the Porterville Developmental Center.

HEADQUARTERS

FY 2021-22

The May Revision reflects \$157.5 million TF (\$89.8 million GF), a net decrease of \$9.4 million TF (\$3.1 million GF) from the Governor's Budget. The main drivers include an increase of \$3.0 million GF transferred from the state operated facilities budget to support anticipated participation in the leave balance buyback program and the transfer of \$12.5 million to regional center operations for the Enhanced Community Integration for Children & Adolescents initiative.

FY 2022-23

The May Revision reflects \$150.0 million TF (\$93.4 million GF), an increase of \$14.5 million TF (\$12.7 million GF) compared to the Governor's Budget. The changes include:

- Disposition of Fairview Developmental Center: One-time funding of \$3.5 million GF for the Department to allocate to the City of Costa Mesa to facilitate disposition of the Fairview Developmental Center property.

April 1, 2022 Finance Letters

- Division of Community Assistance and Resolutions: Increase of \$4.4 million TF (\$3.7 million GF) and 20 positions consisting of one Graphic Designer I, one Staff Services Manager I, two Staff Services Manager II, three Staff Services Manager III, six Associate Governmental Program Analyst, one Research Data Analyst II, two Research Data Specialist I, one Research Data Specialist II, three Career Executive Assignment (CEA) and additional costs for the interagency agreement with the Department of General Services to partner on improvements to the state hearings and appeals process.
- Research and Data Enhancements: Increase of \$2.5 million TF (\$2.0 million GF) and 19.0 positions consisting of three IT Specialist I, one IT Supervisor II, five IT Specialist II, one Staff Services Analyst, three Research Data Analyst II, two Research Data Supervisor II, two Research Data Specialist I, one Research Data Specialist II, one Research Data Specialist III to enhance data collection, analysis, sharing and reporting as well as enable sufficient technical infrastructure support for new and continuing program initiatives that emphasize person-centered outcomes and equitable access and services within the developmental services system.
- Facility Clinical Software Replacement and Electronic Health Record Implementation: Increase of \$1.7 million TF (\$1.6 million GF) and five positions consisting of two IT Specialist II, one Health Record Technician III, one Staff Services Manager I, one Research Data Analyst I and contracting costs to plan for the replacement of clinical software used at the state-operated residential facilities.

- Resources for e-Signature/e-Forms and Accounting Support: Increase of \$436,000 TF (\$409,000 GF) and four positions consisting of one Accounting Officer, one Senior Accounting Officer, two Associate Governmental Program Analyst and consulting resources for implementation and maintenance of an electronic forms (e-Forms) and signature (e-Signature) system.

May Revision Budget Change Proposals

- Promoting Workforce Stability: An increase of \$1.1 million TF (\$881,000 GF) and seven positions consisting of one Staff Services Manager II, one Training Officer II, two Training Officer I, two Associate Governmental Program Analyst, and one CEA Level A to support a multi-pronged workforce development strategy.
- Service Access and Equity Grant Program: An increase of \$792,000 TF (\$634,000 GF) and four positions consisting of two Associate Governmental Program Analyst, two Research Data Analyst II to support expansion and address the program's ongoing workload.