

Department of Developmental Services

2024 May Revision Highlights



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DEPARTMENT OF DEVELOPMENTAL SERVICES

2024 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 who have or are at risk of having intellectual and developmental disabilities to lead more independent, productive, and integrated lives. Additionally, the Early Start Program provides services to infants and toddlers who have or are 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 services.

The number of individuals served by regional centers in the community is expected to be 429,453 in the current year and increase to 465,165 in fiscal year (FY) 2024-25. In addition, the proposed budget supports capacity for 302 individuals that can be served through state-operated services.

2024 MAY REVISION SUMMARY

The 2024 May Revision includes \$15.4 billion total funds (TF) (\$10 billion General Fund [GF]) for FY 2024-25; a net increase of \$1.9 billion TF (\$2.0 billion GF) over the updated FY 2023-24 budget, which is a 14.5 percent TF increase.

In addition to caseload and utilization updates, the proposed FY 2024-25 budget includes the following adjustments:

- Reimbursement System Project (RSP) and Maintenance and Operation Costs (\$3.3 million GF): The Budget includes resources to complete the RSP and support maintenance and operations costs. This includes provisional language to make funding contingent upon approval of the Iterative Project Report by the Department of Technology. Additionally, \$5 million GF is reappropriated from the Budget Act of 2021 to correct a reappropriation included in the 2022 Budget Act.
- Uniform Fiscal System Modernization and the Consumer Electronic Records Management System Project Planning (\$6.4 million TF, \$6 million GF): The Budget includes one-time resources to continue planning for the Uniform Fiscal System Modernization (UFSM) and Consumer Electronic Records Management System (CERMS) project.

Due to lower revenue projections and a resulting increase in the budget problem, the May Revision proposes adjustments to prior investments to assist in closing the projected shortfall. These adjustments compared to the Governor's Budget include the following:

- Health and Safety Waiver Assistance (-\$4.4 million, -\$3 million GF): Reduction of ongoing resources related to providing consumers and families assistance in applying for health and safety waivers.

- Emergency Preparedness Resources (-\$1.1 million GF): Reduction of ongoing resources related to procuring emergency preparedness supplies and informational materials for individuals.
- Tribal Engagement for Early Start Services (-\$750,000 GF): Reduction of ongoing resources to align funding for this outreach initiative with current 2023-24 levels.
- Direct Service Professional Internship Program (-\$20 million GF): Revert one-time resources appropriated in the Budget Act of 2022 for the direct service professional internship program.

Additional proposed statutory changes address efficiencies in the number of assessments required for children referred for early intervention services who may be provisionally eligible for regional center services.

Program Highlights

(Dollars in Thousands)

	FY 2023-24*	FY 2024-25	Difference
Community Services Program			
Regional Centers	\$12,941,848	\$14,878,990	\$1,937,142
Total, Community Services	\$12,941,848	\$14,878,990	\$1,937,142
General Fund	\$7,626,916	\$9,596,982	\$1,970,066
Program Development Fund	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Federal Trust Fund	\$57,470	\$57,338	(\$132)
Reimbursements	\$4,330,931	\$5,223,346	\$892,415
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$542,237	\$0	(\$542,237)
HCBS ARPA Reimbursements	\$382,970	\$0	(\$382,970)
State Operated Services			
Personal Services	\$260,198	\$281,128	\$20,930
Operating Expense & Equipment	\$66,986	\$60,425	(\$6,561)
Total, State Operated Services	\$327,184	\$341,553	\$14,369
General Fund	\$291,362	\$309,792	\$18,430
Lottery Education Fund	\$100	\$100	\$0
Reimbursements	\$35,722	\$31,661	(\$4,061)
Headquarters Support			
Personal Services	\$122,143	\$121,131	(\$1,012)
Operating Expense & Equipment	\$53,363	\$47,313	(\$6,050)
Total, Headquarters Support	\$175,506	\$168,444	(\$7,062)
General Fund	\$109,301	\$112,677	\$3,376
Federal Trust Fund	\$2,979	\$3,010	\$31
Program Development Fund	\$451	\$452	\$1
Reimbursements	\$53,487	\$51,794	(\$1,693)
Mental Health Services Fund	\$511	\$511	\$0
HCBS ARPA	\$6,523	\$0	(\$6,523)
HCBS ARPA Reimbursements	\$2,254	\$0	(\$2,254)
Total, All Programs	\$13,444,538	\$15,388,987	\$1,944,449
Total Funding			
General Fund	\$8,027,579	\$10,019,451	\$1,991,872
Federal Trust Fund	\$60,449	\$60,348	(\$101)
Lottery Education Fund	\$100	\$100	\$0
Program Development Fund	\$885	\$886	\$1
Developmental Disabilities Services Account	\$150	\$150	\$0
Reimbursements	\$4,420,140	\$5,306,801	\$886,661
Mental Health Services Fund	\$1,251	\$1,251	\$0
HCBS ARPA	\$548,760	\$0	(\$548,760)
HCBS ARPA Reimbursements	\$385,224	\$0	(\$385,224)
Total, All Funds	\$13,444,538	\$15,388,987	\$1,944,449

*FY 2023-24 includes \$1.3 million Control Section 19.565 funding

*FY 2023-24 does not include \$10.75 million for CPP reappropriation (GF).

**Program Highlights
(CONTINUED)**

	FY 2023-24	FY 2024-25	Difference
Caseloads			
State Operated Services	302	302	0
Regional Centers	429,453	465,165	35,712
Departmental Positions*			
State Operated Services	1,912.2	1,941.1	28.9
Headquarters	712.0	708.0	(4.0)

*Information is point-in-time and includes 6.5 legacy temp help

COMMUNITY SERVICES PROGRAM

FY 2023-24

Costs and Fund Sources

The FY 2023-24 updated regional center budget includes \$12.9 billion TF (\$7.6 billion GF), a net decrease of \$270.3 million TF (\$215.1 million GF) compared to the Governor’s Budget. This includes a projected decrease of \$251.2 million TF in purchase of services (POS) expenditures and a decrease of \$19.1 million TF in operations costs.

The FY 2023-24 updated budget reflects a net decrease of \$662.5 million TF (\$501.1 million GF), compared to the Enacted Budget.

Costs and Fund Sources <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Operations	\$1,418,953	\$1,399,835	(\$19,118)
Purchase of Services	\$11,772,089	\$11,520,915	(\$251,174)
Early Start Part C/Other Agency Costs	\$19,095	\$19,095	\$0
Early Start Family Resource Services	\$2,003	\$2,003	\$0
Total Costs	\$13,212,140	\$12,941,848	(\$270,292)
General Fund (GF)	\$7,842,039	\$7,626,916	(\$215,123)
<i>GF Match</i>	<i>\$4,040,954</i>	<i>\$3,918,985</i>	<i>(\$121,969)</i>
<i>GF Other</i>	<i>\$3,801,085</i>	<i>\$3,707,931</i>	<i>(\$93,154)</i>
Reimbursements	\$4,459,265	\$4,330,931	(\$128,334)
Program Development Fund	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$502,237	\$542,237	\$40,000
HCBS ARPA Reimbursements	\$349,805	\$382,970	\$33,165
Federal Funds	\$57,470	\$57,470	\$0
Fund Sources	\$13,212,140	\$12,941,848	(\$270,292)

Population

There is no change to the current year caseload from the Governor’s Budget.

Caseload	Governor’s Budget	May Revision	Difference
Active (Age 3 & Older)	359,280	359,280	0
Early Start (Birth through 35 Months)	61,647	61,647	0
Provisional Eligibility (Birth through Age 4)	8,526	8,526	0
Total Community Caseload	429,453	429,453	0

Regional Center Operations – Caseload

There is no change to the current year from the Governor’s Budget.

Operations – Caseload <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Staffing Expenditures	\$1,081,683	\$1,081,683	\$0
Federal Compliance	\$49,552	\$49,552	\$0
Projects	\$37,259	\$37,259	\$0
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$1,677	\$1,677	\$0
Total Operations – Caseload	\$1,170,171	\$1,170,171	\$0

Regional Center Operations – Policy

There is no change to the current year Operations policy from the Governor’s Budget.

Operations – Policy <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Compliance with HCBS Requirements	\$4,044	\$4,044	\$0
Disparities Within the Developmental Services System	\$2,241	\$2,241	\$0
Early Start – Part C to B Transitions	\$3,167	\$3,167	\$0
Language Access and Cultural Competency	\$16,667	\$16,667	\$0
Reduced Caseload Ratio for Children through Age Five	\$153,212	\$153,212	\$0
UFSM & CERMS	\$9,830	\$9,830	\$0
Direct Service Professional Workforce Training and Development	\$4,300	\$4,300	\$0
Early Start Eligibility	\$9,835	\$9,835	\$0
Lanterman Act Provisional Eligibility Ages 0 through 4	\$16,289	\$16,289	\$0
Self-Determination Ongoing Implementation	\$7,800	\$7,800	\$0
Service Provider Rate Reform	\$21,147	\$21,147	\$0
PY ARPA Adjustment*	\$0	(\$19,118)	(\$19,118)
Total Operations – Policy	\$248,532	\$229,414	(\$19,118)

*There is a decrease of \$15.3 million in HCBS ARPA funding and a decrease of \$3.8 million in matching reimbursements due to prior year adjustment needed to balance the multi-year appropriation.

Regional Center Operations – Control Section 19.565 Augmentation

Control Section 19.565 of the 2023 Budget Act allocated \$250,000 GF for the Special Needs Network. There is no change from Governor’s Budget.

Purchase of Services (POS) – Caseload

Updated POS expenditures reflect a net decrease of \$233.0 million TF (\$144.6 million GF) compared to the Governor’s Budget. The table below displays adjustments by category from the Governor’s Budget.

Purchase of Services Caseload (Utilization and Growth) (Dollars in Thousands)			
	Governor’s Budget	May Revision	Difference
Community Care Facilities	\$3,165,034	\$3,027,256	(\$137,778)
Medical Facilities	\$44,100	\$44,270	\$170
Day Programs	\$1,477,872	\$1,436,180	(\$41,692)
Habilitation Services	\$139,467	\$133,642	(\$5,825)
<i>Work Activity Program</i>	\$10,234	\$7,792	(\$2,442)
<i>Supported Employment Program – Group</i>	\$76,175	\$73,372	(\$2,803)
<i>Supported Employment Program – Individual</i>	\$53,058	\$52,478	(\$580)
Transportation	\$438,599	\$459,756	\$21,157
Support Services	\$2,646,111	\$2,580,374	(\$65,737)
In-Home Respite	\$1,127,063	\$1,140,547	\$13,484
Out-of-Home Respite	\$49,144	\$48,069	(\$1,075)
Health Care	\$257,409	\$239,695	(\$17,714)
Miscellaneous Services	\$1,052,426	\$1,053,940	\$1,514
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$9,514	\$9,989	\$475
Total POS – Caseload	\$10,406,739	\$10,173,718	(\$233,021)

POS – Policy

There is a net decrease of \$18.2 million TF (\$66.7 million GF) in policy-related expenditures compared to the Governor’s Budget. This is primarily driven by the following:

Updated Policies:

- Coordinated Family Support Services: Decrease of \$27.0 million TF (\$6.6 million GF) due to current trends in actual costs and utilization.
- Social Recreation and Camping Services: Increase of \$16.6 million TF (\$10.7 million GF) due to current trends in actual costs and utilization.
- Bilingual Differential for Direct Service Professionals under Ongoing Purchases of Services Items: Decrease of \$7.2 million TF (\$4.4 million GF) due to updated implementation assumptions.
- Direct Service Professional Workforce Training and Development: Decrease of \$3.0 million (\$2.0 million GF) due to updated implementation assumptions.

Purchase of Services – Policy <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Coordinated Family Support Services	\$36,000	\$9,000	(\$27,000)
Ongoing Purchase of Services Items	\$53,200	\$46,000	(\$7,200)
Social Recreation and Camping Services	\$19,766	\$36,342	\$16,576
Direct Service Professional Workforce Training and Development	\$2,975	\$0	(\$2,975)
Early Start Eligibility	\$13,208	\$13,208	\$0
Lanterman Act Provisional Eligibility Ages 0 through 4	\$56,540	\$56,540	\$0
Self-Determination Ongoing Implementation	\$3,395	\$3,395	\$0
Service Provider Rate Reform	\$1,179,266	\$1,179,266	\$0
PY ARPA Adjustment*	\$0	\$2,446	\$2,446
Total POS – Policy	\$1,364,350	\$1,346,197	(\$18,153)

*There is an increase of \$1.6 million in HCBS ARPA funding and an increase of \$917,000 in matching reimbursements due to prior year adjustment needed to balance the multi-year appropriation.

POS – Control Section 19.565 Augmentation

Control Section 19.565 of the 2023 Budget Act allocated \$1.0 million GF to the City of Stockton for the City of Stockton - People/Adults with Intellectual Disabilities Vocational Opportunities. There is no change from the Governor’s Budget.

HCBS American Rescue Plan Act (ARPA) Funding

Compared to the Governor’s Budget, there is a net increase of \$40.0 million in HCBS ARPA funding and \$33.2 million in matching reimbursements related to additional resources available as part of the statewide HCBS Spending Plan.

HCBS American Rescue Plan Act Funding <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
HCBS ARPA	\$502,237	\$542,237	\$40,000
HCBS ARPA Reimbursements	\$349,805	\$382,970	\$33,165
Total HCBS ARPA	\$852,042	\$925,207	\$73,165

Reimbursements

The updated current year reflects a net decrease of \$128.3 million in reimbursements compared to the Governor’s Budget. Adjustments are reflected in the table below. The main driver is a decrease in projected expenditures.

Reimbursements <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Home and Community-Based Services (HCBS) Waiver	\$3,002,014	\$2,880,811	(\$121,203)
HCBS Waiver Administration	\$23,198	\$22,995	(\$203)
Medicaid Administration	\$21,368	\$21,368	\$0
Targeted Case Management	\$362,478	\$374,891	\$12,413
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	\$59,775	\$62,760	\$2,985
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$10,352	\$10,827	\$475
1915(i) State Plan Amendment	\$614,779	\$598,863	(\$15,916)
Early Periodic Screening Diagnosis and Treatment	\$20,147	\$20,147	\$0
Behavioral Health Treatment Fee-for-Service	\$11,481	\$11,481	\$0
Self-Determination Program Waiver	\$120,252	\$113,367	(\$6,885)
Total Reimbursements	\$4,459,265	\$4,330,931	(\$128,334)

Federal Funds

There is no change compared to the Governor’s Budget.

Federal Funds <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Early Start Part C/Other Agency Costs	\$56,325	\$56,325	\$0
Foster Grandparent Program	\$1,145	\$1,145	\$0
Total Federal Funds	\$57,470	\$57,470	\$0

FY 2024-25

Costs and Fund Sources

The FY 2024-25 regional center budget includes \$14.9 billion TF (\$9.6 billion GF), a net increase of \$69.9 million TF (\$39.1 million GF) compared to the Governor’s Budget. This includes a projected \$22.4 million TF increase in regional center operations costs, and \$47.5 million TF increase in purchase of services expenditures.

Costs and Fund Sources			
<i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Operations	\$1,525,140	\$1,547,494	\$22,354
Purchase of Services	\$13,262,166	\$13,309,714	\$47,548
Early Start Part C/Other Agency Costs	\$19,779	\$19,779	\$0
Early Start Family Resource Services	\$2,003	\$2,003	\$0
Total Costs	\$14,809,088	\$14,878,990	\$69,902
General Fund (GF)	\$9,557,907	\$9,596,982	\$39,075
<i>GF Match</i>	\$4,889,723	\$4,920,207	\$30,484
<i>GF Other</i>	\$4,668,184	\$4,676,775	\$8,591
Reimbursements	\$5,192,387	\$5,223,346	\$30,959
Program Development Fund/Parental Fees	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$0	\$0	\$0
HCBS ARPA Reimbursements	\$0	\$0	\$0
Federal Funds	\$57,470	\$57,338	(\$132)
Fund Sources	\$14,809,088	\$14,878,990	\$69,902

Population

The Department forecasts a net increase of 6,937 consumers compared to the Governor’s Budget.

Caseload	Governor’s Budget	May Revision	Difference
Active (Age 3 & Older)	377,898	386,987	9,089
Early Start (Birth through 35 Months)	68,338	66,186	(2,152)
Provisional Eligibility (Birth through Age 4)	11,992	11,992	0
Total Community Caseload	458,228	465,165	6,937

Regional Center Operations – Caseload

The budget year includes \$1.3 billion TF (\$918.5 million GF) for regional center operations, an increase of \$9.7 million (\$3.4 million GF decrease) compared to the Governor’s Budget. The increase is primarily attributed to anticipated caseload growth.

Operations – Caseload <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Staffing Expenditures	\$1,179,831	\$1,189,469	\$9,638
Federal Compliance	\$49,552	\$49,552	\$0
Projects	\$38,427	\$38,427	\$0
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$1,762	\$1,850	\$88
Total Operations – Caseload	\$1,269,572	\$1,279,298	\$9,726

Regional Center Operations – Policy

The budget year includes \$268.2 million TF (\$187.9 million GF) for policies impacting regional center operations, an increase of \$12.6 million TF (\$9.3 million GF) compared to the Governor’s Budget.

Updated Policies:

- Reduced Caseload Ratio for Children through Age Five: Increase of \$8.0 million TF (\$5.2 million GF) due to updated service coordinator salary assumptions.
- UFSM & CERMS: Increase of \$2.7 million GF for one-time resources in FY 2024-25.
- Compliance with HCBS Requirements: Increase of \$1.7 million TF (\$1.1 million GF) due to updated caseload.
- Early Start Eligibility: Increase of \$287,000 GF due to updates in service coordinator salary assumptions.

Operations – Policy <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Compliance with HCBS Requirements	\$5,336	\$7,043	\$1,707
Disparities Within the Developmental Services System	\$2,241	\$2,241	\$0
Early Start – Part C to B Transitions	\$3,167	\$3,167	\$0
Language Access and Cultural Competency	\$16,667	\$16,667	\$0
Reduced Caseload Ratio for Children through Age Five	\$169,494	\$177,463	\$7,969
UFSM & CERMS	\$0	\$2,665	\$2,665
Direct Service Professional Workforce Training and Development	\$4,300	\$4,300	\$0
Early Start Eligibility	\$9,835	\$10,122	\$287
Lanterman Act Provisional Eligibility Ages 0 through 4	\$22,781	\$22,781	\$0
Self-Determination Ongoing Implementation	\$600	\$600	\$0
Service Provider Rate Reform	\$21,147	\$21,147	\$0
Total Operations – Policy	\$255,568	\$268,196	\$12,628

Purchase of Services (POS) Caseload

The budget year includes \$11.9 billion TF (\$7.6 billion GF) for purchase of services, an increase of \$44.8 million TF (\$31.4 million GF), compared to the Governor’s Budget.

The net increase is primarily due to updated expenditure trends in utilization of various budget categories, as shown below.

Purchase of Services Caseload (Utilization and Growth) <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Community Care Facilities	\$3,554,398	\$3,460,336	(\$94,062)
Medical Facilities	\$52,007	\$52,696	\$689
Day Programs	\$1,556,827	\$1,538,687	(\$18,140)
Habilitation Services	\$143,238	\$137,381	(\$5,857)
<i>Work Activity Program</i>	\$7,804	\$4,782	(\$3,022)
<i>Supported Employment Program – Group</i>	\$74,264	\$71,270	(\$2,994)
<i>Supported Employment Program – Individual</i>	\$61,170	\$61,329	\$159
Transportation	\$566,919	\$630,440	\$63,521
Support Services	\$3,015,633	\$2,992,822	(\$22,811)
In-Home Respite	\$1,309,342	\$1,423,416	\$114,074
Out of Home Respite	\$52,626	\$52,060	(\$566)
Health Care	\$305,779	\$274,536	(\$31,243)
Miscellaneous Services	\$1,291,444	\$1,330,127	\$38,683
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$9,514	\$9,989	\$475
Total POS – Caseload	\$11,857,727	\$11,902,490	\$44,763

POS – Policy

The budget year includes \$1.4 billion TF (\$862.1 million GF) for policies impacting regional center purchase of services, an increase of \$2.8 million TF (\$1.8 million GF) compared to the Governor’s Budget.

Updated Policies:

- Social Recreation and Camping Services: Increase of \$2.8 million TF (\$1.8 million GF) based upon projected caseload and utilization.

Purchase of Services – Policy <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Ongoing Purchase of Services Items	\$53,200	\$53,200	\$0
Social Recreation and Camping Services	\$42,700	\$45,485	\$2,785
Direct Service Professional Workforce Training and Development	\$17,850	\$17,850	\$0
Early Start Eligibility	\$13,208	\$13,208	\$0
Lanterman Act Provisional Eligibility Ages 0 through 4	\$79,614	\$79,614	\$0
Self-Determination Ongoing Implementation	\$3,600	\$3,600	\$0
Service Provider Rate Reform	\$1,194,267	\$1,194,267	\$0
Total POS – Policy	\$1,404,439	\$1,407,224	\$2,785

Reimbursements

The budget year includes \$5.2 billion in reimbursements, an increase of \$31.0 million compared to the Governor’s Budget. Adjustments are reflected in the table below and the main drivers are increases in caseload and utilization.

Reimbursements <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Home and Community-Based Services (HCBS) Waiver	\$3,525,382	\$3,535,002	\$9,620
HCBS Waiver Administration	\$23,995	\$24,414	\$419
Medicaid Administration	\$21,368	\$21,368	\$0
Targeted Case Management	\$376,374	\$392,356	\$15,982
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	\$58,741	\$61,675	\$2,934
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$10,395	\$10,914	\$519
1915(i) State Plan Amendment	\$721,755	\$722,490	\$735
Early Periodic Screening Diagnosis and Treatment	\$19,798	\$19,798	\$0
Behavioral Health Treatment Fee-for-Service	\$11,481	\$11,481	\$0
Self-Determination Program Waiver	\$209,677	\$210,427	\$750
Total Reimbursements	\$5,192,387	\$5,223,346	\$30,959

Federal Funds

The budget year includes \$57.3 million in federal funds, a net decrease of \$132,000 compared to the Governor’s Budget reflecting an update in anticipated grant funding.

Federal Funds <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Early Start Part C/Other Agency Costs	\$56,325	\$56,193	(\$132)
Foster Grandparent Program	\$1,145	\$1,145	\$0
Total Federal Funds	\$57,470	\$57,338	(\$132)

STATE OPERATED SERVICES

FY 2023-24

The FY 2023-24 updated state-operated services budget includes \$327.2 million TF (\$291.4 million GF), largely unchanged compared to the Governor’s Budget.

Facilities Update:

- Porterville Developmental Center: An increase of \$20,000 due to an update to the Lease Revenue Debt Service Bond.

Policy

- Control Section Adjustments: An increase of \$16,000 (\$15,000 GF) due to employee compensation adjustments.

Costs and Fund Sources <i>(Dollars in Thousands)</i>			
	Governor's Budget	May Revision	Difference
Personal Services	\$260,182	\$260,198	\$16
Operating Expenses and Equipment	\$58,705	\$58,705	\$0
Lease Revenue Bond	\$8,261	\$8,281	\$20
Total Costs	\$327,148	\$327,184	\$36
General Fund (GF)	\$291,327	\$291,362	\$35
<i>GF Match</i>	\$34,359	\$34,360	\$1
<i>GF Other</i>	\$256,968	\$257,002	\$34
Reimbursements	\$35,721	\$35,722	\$1
Lottery Fund	\$100	\$100	\$0
Fund Sources	\$327,148	\$327,184	\$36

FY 2024-25

The FY 2024-25 budget includes \$341.6 million (\$309.8 million GF), a decrease of \$7.0 million TF (\$3.7 million GF decrease) compared to the Governor’s Budget due to an update to the reimbursement rate for the STAR and CAST services, an updated phase-in of staff for the Complex Needs Residential Program, and Control Section adjustments.

Facilities Update:

- STAR: A fund shift of \$3.1 million from reimbursements to General Fund due to updated funding assumptions aligned with actual Federal Financial Participation.
- CAST: A fund shift of \$232,000 from reimbursements to General Fund due to updated funding assumptions aligned with actual Federal Financial Participation.

Policy

- Control Section Adjustments: An increase of \$22,000 (\$20,000 GF) due to employee compensation adjustments.
- Complex Needs Residential Program: A decrease of \$7 million GF due to revised development timeline of the homes and the related phased-in staffing assumptions.

Costs and Fund Sources			
<i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
Personal Services	\$284,624	\$281,128	(\$3,496)
Operating Expenses and Equipment	\$55,681	\$52,161	(\$3,520)
Lease Revenue Bond	\$8,264	\$8,264	\$0
Total Costs	\$348,569	\$341,553	(\$7,016)
General Fund (GF)	\$313,524	\$309,792	(\$3,732)
<i>GF Match</i>	\$34,945	\$31,661	(\$3,284)
<i>GF Other</i>	\$278,579	\$278,131	(\$448)
Reimbursements	\$34,945	\$31,661	(\$3,284)
Lottery Fund	\$100	\$100	\$0
Fund Sources	\$348,569	\$341,553	(\$7,016)

HEADQUARTERS

FY 2023-24

The FY 2023-24 budget includes \$175.5 million TF (\$109.3 million GF) and has no changes compared to the Governor’s Budget.

HCBS American Rescue Plan Act (ARPA) Funding

There are no changes in HCBS ARPA funding in the May Revision compared to the Governor’s Budget.

American Rescue Plan Act Funding <i>(Dollars in Thousands)</i>			
	Governor’s Budget	May Revision	Difference
HCBS ARPA	\$6,523	\$6,523	\$0
HCBS ARPA Reimbursements	\$2,254	\$2,254	\$0
Total HCBS ARPA	\$8,777	\$8,777	\$0

FY 2024-25

The FY 2024-25 revised budget includes \$168.4 million TF (\$112.7 million GF), a net increase of \$12 million TF (\$11.6 million GF) compared to the Governor’s Budget due to two budget change proposals and a reappropriation adjustment specifically for the RSP.

Finance Letters:

- UFSM and CERMS Project Planning: The Budget includes an increase of \$3.7 million (\$3.3 million GF) for continued project planning to allow DDS to complete the state’s required California Department of Technology Project Approval Lifecycle process.
- RSP and Maintenance and Operation Costs: The Budget includes \$3.3 million new GF and \$5.0 million reappropriated from Budget Act of 2021 to provide resources to complete the RSP and support maintenance and operations costs.