



California's 2021-22 Approved State Budget Final Detailed Summary

July 30, 2021 – This year's budget process was unlike any in history. California had an unexpected surplus of nearly \$80 billion, the federal government passed several stimulus and Covid-relief measures, and the entire budget process was forced to be negotiated under restrictions due to the pandemic. In the end, however, budget was a major victory for California's disability community, including historic investments into regional center services. The success was a result of years of advocacy by Californians with intellectual and developmental disabilities, their families and support staff, service providers and regional centers. The community was heard by a number of legislators who became passionate champions and worked with Governor Newsom to enact this budget.

In addition to the state budget, the federally approved American Rescue Plan Act brought approximately \$3 billion to California to spend specifically on home and community-based services (HCBS). The HCBS spending plan, as submitted by the state to the federal government, would include investments on top of the state budget that would benefit Californians with disabilities.

The Arc of California's summary of California's enacted 2021-22 budget and the HCBS spending plan and their impact on people with IDD and their families is below:

Regional Center Services

The Budget includes a variety of investments to support developmental services. It outlines a multi-year developmental service provider rate increase based on a 2019 Rate Study, increasing rates by \$1.2 billion General Fund by 2025-26, with an implementation plan focused on improving consumer outcomes and quality of services. The Budget also includes investments to provide children ages three to four with provisional Lanterman Act service eligibility, improve consumer onboarding into the Self-Determination Program, increase competitive employment opportunities for individuals with intellectual

and developmental disabilities, support crisis prevention and response services to individuals with intellectual or developmental disabilities, and provide direct service professional workforce training and development.

Service Provider Rate Reform—The Budget includes \$89.9 million General Fund in 2021-22, growing to \$1.2 billion General Fund (approximately \$2.0 billion total funds) ongoing in 2025-26 for provider rate increases based on the DDS 2019 Rate Study. Annual funding includes resources for development and implementation of a quality incentive payment program focused on improving consumer outcomes and service quality.

Lanterman Act Provisional Eligibility—The Budget includes \$23.8 million ongoing General Fund to provide children ages three and four with provisional Lanterman Act service eligibility

Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Teams—The Budget includes \$8 million General Fund in 2021-22, increasing to \$11 million General Fund ongoing in 2022-23, for START teams. The teams provide crisis prevention and response services to individuals with intellectual or developmental disabilities.

Low to No Purchase of Service Caseload Ratio—The Budget includes \$10 million ongoing General Fund to establish an enhanced caseload ratio (1:40) to improve service delivery, benefitting consumers in underserved communities.

Elimination of Suspensions—The Budget eliminates suspension of the Provider Supplemental Rate Increase and lifts implementation of the Uniform Holiday Schedule resulting in a cost of \$309.6 million ongoing General Fund.

Performance Incentives Program—The Budget includes \$4 million General Fund in 2021-22 for planning resources to create an outcome-focused regional center operations funding program. Beginning in 2022-23, ongoing costs increase to \$61 million General Fund, with a focus on reducing caseloads.

Direct Service Professional Workforce Training and Development—The Budget includes \$2.9 million General Fund in 2021-22 to establish a training and certification program for direct service professionals tied to wage differentials. Beginning in 2023-24, ongoing costs increase to \$51 million General Fund. The differentials aim to stabilize service access and professionalize and diversify the workforce.

Bilingual Staff Differentials—The Budget includes \$2.2 million General Fund in 2021-22 to create a differential for bilingual service provider staff. Beginning in 2023-24, ongoing costs increase to \$6.5 million General Fund.

Self-Determination Supports—The Budget includes \$7.8 million General Fund to improve consumer onboarding into the Self-Determination Program, to include: participant choice specialists, intensive transition support services, regional center training, and the

establishment of the Office of the Self-Determination Program Ombudsperson. Beginning in 2024-25, ongoing costs decrease to \$3.2 million General Fund. • Health and Safety Waivers—The Budget includes \$3 million ongoing General Fund for regional centers to assist consumers with identifying and applying for health and safety waivers.

Social Recreation and Camp—The Budget includes \$19 million General Fund to restore access to regional center services including: camping services, social recreation activities, educational services, and nonmedical therapies. Beginning in 2023-24, ongoing costs increase to \$36.8 million General Fund.

Language Access—The Budget includes \$10 million ongoing General Fund for Language Access and Cultural Competency Orientations and Translations for regional center consumers and their families.

Employment Grants—The Budget includes \$10 million General Fund for one-time grants to increase competitive integrated employment opportunities for individuals with intellectual and/or developmental disabilities.

Implicit Bias Training—The Budget includes \$5.6 million ongoing General Fund for Implicit Bias Training for all regional center staff as well as contractors involved with intake, assessment, and eligibility determinations.

Outcomes and Quality Improvement Pilot—The Budget includes \$10 million one-time General Fund for the department to contract out for the development and implementation of a pilot project focused on metrics and data collection methods to evaluate service outcomes for consumers.

Community Navigators—The Budget includes \$3.2 million ongoing General Fund to contract with family resource centers for the implementation of a statewide navigator program to provide education on resources, advocacy, and mentorship to parents of individuals served by regional centers. Funding includes resources for a one-time independent evaluation focused on improving the effectiveness of existing disparity projects.

Supports for Consumers Who Are Deaf—The Budget includes \$1.8 million ongoing General Fund to build departmental and regional center expertise on the expansion of service resources for individuals who are deaf and have intellectual and/or developmental disabilities.

Adult Family Homes for Older Adults Funding —\$9M enhanced federal funding (\$9M TF), \$2.6M Ongoing. Adult Family Homes offer the opportunity for up to two adult individuals to reside with a family and share in the interaction and responsibilities of being part of a family unit, while the family receives a stipend and support from a local Family Home Agency (FHA) for caregiving for the adult individual(s). California will pilot Adult Family Homes for older adults in one county, with the Department of Developmen-

tal Services (DDS) assisting the Department of Aging (CDA) in developing and operating the program. This pilot is based on the successful program serving adults with developmental disabilities currently run by the DDS.

Coordinated Family Support Service Funding: \$25M enhanced federal funding (\$42M TF); One-time, \$25M GF ongoing. Currently, adults living outside the family home have more coordinated supports than individuals living with their family. DDS data shows a significantly higher percentage of adults who identify as non-white (75%) live with their family as compared to adults who are white (52%). To improve service equity for adults who live with their family, and improve individual supports at home, this proposal would pilot a new service for families similar to supported living services provided outside the family home. The pilot would assist families in coordinating the receipt/delivery of multiple services.

Modernize Developmental Services Information Technology Systems Funding: \$6M enhanced federal funding (\$7.5M TF). The one-time investment supports the initial planning process to update the regional center fiscal system and implement a statewide Consumer Electronic Records Management System.

- a) **Uniform Fiscal System** – The current information technology systems for billing and case management are disjointed and unable to quickly adapt to changing needs given the age of the systems and lack of standardization. Changes require DDS and regional centers to create and apply patches independently to each individual regional center system. The process for reporting data from the regional centers to the department is delayed, resulting in significant data lags which can delay identification of problems and hinder decision-making given outdated information. The existing fiscal system was implemented in 1984. Replacement of the RC fiscal system, which processes provider payments, will improve efficiencies as the system is modernized and provide more detailed expenditure data consistent with CMS payment system expectations.
- b) **Consumer Electronic Records Management System** – The regional centers do not have a statewide standardized client case management system. Securing timely and accurate data is extremely challenging due to system differences. Additionally, there is not an outward facing option for selfadvocates and families to access their information such as, IPPs, current authorizations, appointments, outcomes data, etc.; instead, that information is delivered by mail or email. This proposal will increase the availability and standardization of information to include, measures/outcomes, demographics, service needs, special incident reports, etc. Lastly, the system will allow consumers, via the web or app, to access their records. This investment will also support the efforts to develop an outcomes-based system for purchase of services.

SSI/SSP

SSP Grant Increase—The Budget includes \$291.3 million General Fund in 2021-22 and ongoing to increase grants for SSP, Cash Assistance Program for Immigrants, and

California Veterans Cash Benefits. The SSP grant will increase by approximately \$36 per month for individuals and \$92 per month for couples beginning in January 2022. This will reverse half of the devastating cuts made more than a decade ago during the Great Recession. We are further relieved to see the intention to reverse the remaining 50 percent of the cuts in the 2023-24 budget year.

HOUSING & ICF/DDs

Housing and Disability Advocacy Program—The Budget includes \$150 million General Fund in 2021-22 and 2022-23 to assist disabled individuals who are experiencing homelessness. This augmentation is in addition to an ongoing annual appropriation of \$25 million General Fund for this purpose.

Rates for Intermediate Care Facilities for Individuals with Developmental Disabilities (ICF/DD) and Freestanding Pediatric Subacute Facilities (FS/PSA)—The Budget includes \$45.4 million (\$21.6 million General Fund) in 2021-22 and \$22 million (\$11.1 million General Fund) ongoing to address frozen rates for ICF/DD and FS/PSA rates.

IHSS

IHSS Seven Percent Suspension—The Budget eliminates the IHSS seven-percent reduction in service hours resulting in a cost of approximately \$248 million General Fund in 2022-23 and \$496 million ongoing General Fund.

Special Education

\$277.7 million one-time federal Individuals with Disabilities Education Act (IDEA) funds to local educational agencies to increase general statewide special education resources.

\$260 million ongoing Proposition 98 General Fund to support early intervention services for preschool-aged children.

\$186.1 million ongoing Proposition 98 General Fund to provide a 4.05-percent cost-of-living adjustment for state special education funding.

\$100 million one-time Proposition 98 General Fund for alternative dispute resolution to provide more opportunities for efficient and effective resolution of special education services complaints.

\$15 million one-time Proposition 98 General Fund for grants to LEAs (local educational agencies) to improve the delivery of inclusive practices.

\$10 million one-time federal IDEA funds to provide technical assistance and support to local educational agencies in developing and administering comprehensive individualized education programs and to develop tools and resources to assess and address academic impacts of the Pandemic on students with disabilities.

\$7 million ongoing federal IDEA funds to support and expand Family Empowerment Centers.

\$2.3 million federal IDEA funds (of which \$965,000 is available on a one-time^{[[SEP]]} basis) and 6 positions for the Department of Education to address special education complaints, perform court-ordered special education monitoring of local educational agencies, and to purchase special education monitoring software.