



California Collaboration

California's 2022-23 Approved State Budget Final Detailed Summary

July 1, 2022 – This year's state budget process was remarkable for a variety of reasons, most notably the record \$300 billion final package. The budget process began with a surplus so large that an obscure provision enacted decades ago called the Gann limit, which limits spending in the case of an excessive surplus, became the main nemesis to legislative leaders and advocates. The process continued with dozens of committee hearings, an initial budget passed by the Legislature that included more investments than Governor Gavin Newsom would support, and finally a last-minute negotiation between the Legislature and Governor over the best method to provide refunds to taxpayers.

California's developmental disability community once again advocated relentlessly, this year specifically for solutions to staffing shortages and restoring services and supports that have been impacted by the pandemic. In the end the final budget package included \$1.24 billion in funding for the developmental disability system over the next three years.

The Arc / UCP California Collaboration detailed summary of California's enacted 2022-23 budget and its impact on people with disabilities and their families is below:

Regional Center Services

Workforce

- **Rate Acceleration** - Accelerates the timeline for rate increases approved in the 2021 Budget Act so that the next step in the rate increase schedule is implemented on January 1, 2023, instead of July 1, 2023. Requires the fully funded rate models to be implemented by July 1, 2024. Details legislative intent that the majority of specified rate increases be used to enhance wages and benefits for staff members spending a minimum of 75 percent of their time providing direct services. Beginning July 1, 2023 would require a vendor to be in compliance with home-and-community based services final rule, or implementing a corrective action plan, to be eligible for a quality incentive program.

- **Stipends, Training, and Tuition Reimbursement** – Provides up to two \$500 training stipends (with an additional \$150 for taxes and administration) for direct support professionals (DSPs); implements a three-month training and internship program intended to establish an entry point into DSP career paths; and establishes a tuition reimbursement program for regional center service coordinators pursuing advanced degrees in health and human services-related fields.
- **Remote Supports Pilot Program** – Establishes pilot a program aimed at developing remote supports using technology systems to increase consumer independence and, when chosen and safe, reduce in-person and around-the-clock services.

Early Start

- Approves funding to strengthen the transition process for three year-old children with intellectual and/or developmental disabilities moving from the Early Start program (Part C of the federal Individuals with Disabilities Education Act (IDEA)) to special education (Part B of IDEA). The funding supports service coordinator-to-child caseload ratios, supports to pre-schools to increase inclusion of children served by regional centers, establishment of IDEA specialists at each regional center, and resources to facilitate interagency coordination.
- Approves funding to support adjustments in identifying children with qualifying signs of developmental delays. This proposal includes statutory changes revising the Early Start qualification threshold from a 33 percent delay to a 25 percent delay in one of the specified assessment areas; separating communication delay assessments into expressive and receptive categories; and highlighting Fetal Alcohol Syndrome as a risk factor for intellectual and/or developmental delays. These changes are intended to engage families sooner with early intervention services. Following Early Start, and depending on subsequent assessments, some children may continue receiving services through Provisional Eligibility or Lanterman Act Services.

Employment

One-time funding available over three years to establish a service model pilot program focused on expanding employment opportunities for individuals with intellectual and/or developmental disabilities who are currently served through Work Activity Programs (WAPs) or are recent high school graduates. The effort is intended to implement Chapter 339 of 2021 (SB 639, Senator Durazo), which phases out subminimum wage certificates by January 1, 2025, or when the requested multi-year phaseout plan led by the State Council on Developmental Disabilities (SCDD) is released, whichever is later. The bill requires the SCDD to collaborate with stakeholders and state agencies (including DDS) in creating a multiyear plan by January 1, 2023 to phase out the subminimum wage.

Day Services

Approves \$61,400,000 one-time funding for Community Based Adult Services COVID-19 Mitigation and Resiliency grants. Shall be available for encumbrance or expenditure until June 30, 2026, to provide competitive grants to licensed adult day health care center, licensed adult day program, or Program of All Inclusive Care for the Elderly sites to improve the health, safety, and well-being

of vulnerable at-risk older adults and people with disabilities through safe access to in-center congregate services. Grants shall be awarded for the purposes of preventing COVID-19 infection, preparing for public health emergencies, and to improve workforce recruitment and retention. The department shall confer with stakeholders to advise on the implementation of the grant program, including, but not limited to, assistance with designing an application and review process.

Access and Equity

Approves \$11 million General Fund one-time in 2022-23 to increase the resources currently available for DDS to award to regional centers and community-based organizations through its Service Access and Equity Grant Program, which focuses on supporting strategies to reduce disparities and increase equity in regional center services.

Self-Determination

Approves \$7.2 million ongoing to support participants in the Self-Determination Program by amending statute to move the cost of Financial Management Services out of their individual budgets.

Family Fees

Suspends the Regional Center Family Fees for one additional year.

Half-Day Billing

Approves the Governor's May Revision proposal regarding Half Day Billing, which provides \$2.8 million (\$1.9 million General Fund) to reflect the elimination of the half-day billing policy for service providers.

Communication Assessments

Approves one-time funding for Communication Assessments, with \$15 million (\$9 million General Fund) one-time funding to support communication assessments that will be used in developing individual program plans to improve services for individuals with intellectual and developmental disabilities who are deaf (Deaf+).

SSI/SSP

Approves the one-year acceleration of the increase to restore SSP grants to 2009 levels from a January 1, 2024 planned implementation date to an earlier, January 1, 2023 implementation date, with \$150 million General Fund provided in the 2023-24 fiscal year and \$150 million General Fund in the 2024-25 fiscal year for this purpose. The increase is projected to bring maximum SSI/SSP grant levels to \$1,123 per month for individuals (about \$39 per month) and \$1,940 per month for couples. The average monthly caseload in this program is estimated to be nearly 1.2 million recipients in 2022-23. Includes trailer bill language to require a display on how grants are faring against costs of living over time, monitoring the status of the grants and their ongoing purchasing power, as they do not receive a statutory cost of living adjustment (COLA).

Dental

Approves a one-time \$50 million investment (\$25 million a year over two years) will be awarded in grants, ranging from \$1million to \$5 million, by the California Health Facility Financing Authority to create at least 10 permanent sites specific to special needs dental care. To be eligible for a grant, recipients would need to ensure that at least 50% of their patient population has special health care needs for 10 years.

ICF/DDs and Medi-Cal Providers

- Continues indefinitely the current Medi-Cal reimbursement rate for intermediate care facilities for the developmentally disabled or facilities providing continuous skilled nursing care to developmentally disabled individuals.
- Exempts the following providers from 10 percent Medi-Cal reimbursement reductions that took effect June 1, 2011: nurses, alternative birth centers, audiologists, hearing aid dispensers, respiratory care providers, certain durable medical equipment, chronic dialysis clinics, emergency medical air transportation services, nonemergency medical transportation services, doula services, community health worker services, health care services delivered via remote patient monitoring, asthma prevention services, dyadic services, medication therapy management services, and clinical laboratory services.

Medi-Cal Telehealth Policy

- Provides that face-to-face contact is not required when covered Medi-Cal services are provided by video synchronous interaction, audio-only synchronous interaction, remote patient monitoring, or other permissible virtual communication modalities, meeting certain criteria.
- Requires a provider furnishing services through video synchronous interaction or audio-only synchronous interaction to also offer those services through inperson, face-to-face contact or arrange for a referral to in-person care.
- Authorizes a provider to establish a new patient relationship with a Medi-Cal beneficiary through video synchronous interaction, and prohibits a provider from doing so through other telehealth modalities.

Special Education

Requires an Individuals with Disabilities Education Act (IDEA) Addendum process for the Local Control Accountability Plan (LCAP) that will be adopted by the State Board of Education by 2025 to coordinate IDEA spending planning process with existing LCAP spending planning.