



California's 2023-24 Approved State Budget Final Detailed Summary

June 30, 2023 – This year's state budget was finalized within the context of a \$32 billion deficit with projected multiyear deficits, after several years of record budget surpluses. Despite the deficit, the final agreement did not pull from state reserves, and instead balanced the budget with selected spending cuts and delays. As a result of stakeholder advocacy, the Legislature and Governor largely spared the disability community from spending cuts to state programs, and even made some investments in critical areas.

The Arc of California's detailed summary of California's enacted 2023-24 budget and its impact on people with intellectual and developmental disabilities and their families is below:

Regional Center Services

RATE MODELS

- **Independent Living Services** – Fixes a flaw in the current provider reimbursement rate models for independent living services. Provides \$15 million Total Fund (TF), \$8.5 million General Fund (GF) beginning January 2024 to increase the rate to ensure proper access to the service.
- **Minimum Wage Adjustment** – Requires the California Department of Developmental Services (DDS) to update all provider rate models to account for the increases in the statewide minimum wage, which is one of the many inputs in determining the final reimbursement rate.
- **Rate Model Quality Incentives (aka The 90/10 Rule)** – During the implementation of the rate models in previous budget years, total rates included a 90% "base rate" and 10% quality incentive payment. The Arc & UCP California Collaboration quickly raised concerns about the implementation of quality incentive payments that act more as punishment than incentives, and also had many flaws in how it would be implemented.

This year's budget includes the following fixes to those concerns:

- Requires DDS to implement a hold harmless policy for providers whose rates in effect on January 1, 2023 exceed 90 percent of the rate model, until June 30, 2026.
 - Requires that a provider is actually eligible for a quality incentive payment that, when added to their base rate, allows them to earn the fully funded rate model.
 - Allows the department to establish quality measures or benchmarks in the initial years of the quality incentive program that focus on building capacity, developing reporting systems, gathering baseline data, and similar activities while working towards meaningful outcome measures at the individual consumer level for all services.
 - Specifies that beginning in 2024-25, there will be an opportunity for eligible providers to earn full quality incentive payments through one or more measures.
 - Requires the department to determine each provider's quality incentive payment percentage prior to the start of the fiscal year by measuring the provider's performance against the quality measure or benchmarks for the most recently available reporting period.
- **Family Home Agencies** - Clarifies the current rate structure for family home agency services are based on the rate for Community Care Facilities licensed for four beds or fewer.

FAMILY SERVICES

- **Extension of Remote Option for Individual Program Plan (IPP) Meetings** – Extends the option for a consumer and their family to request a remote IPP meeting or individualized family service plan meeting through June 30, 2024.
- **Regional Center Family Fees** - Implements a one-year suspension of regional center family fee assessments, including the Family Cost Participation Program and the Annual Family Program Fee, through June 30, 2024.
- **Parent Participation in Applied behavioral analysis (ABA) therapy** - Prohibits a regional center from denying or delaying the provision of ABA or intensive behavioral intervention services for children due to the lack of parent participation.
- **Coordinated Family Support Services Program** - Appropriates \$10.8 million General Fund to the Department of Developmental Services to continue implementation of the Coordinated Family Support Services Program.

ACCESS TO REGIONAL CENTER SERVICES

- **Early Start, Provisional Eligibility for Children Ages 0-2** - Expands provisional eligibility for Lanterman Developmental Disabilities Services Act (Lanterman Act) to include children from birth through two years of age. The 2021 Budget Act expanded eligibility for regional center services for children three or four years of age. This change makes provisional eligibility inclusive of all children four years of age or under.

- **Medical Services, Access to generic services** - Requires regional centers to purchase medical services identified in the individualized family service plan if the service is not available within 60 days through the family's health insurance or Medi-Cal. Requires a regional center to purchase medical services during any plan delays, including the appeals process.
- **Social Recreation Services** - Prohibits a regional center from requiring an individual with an intellectual or developmental disability (IDD) or their family from doing any of the following: (a) exhaust In-Home Supportive Services, (b) exchange respite hours or any other service or support, or (c) pay a copayment, in order to receive social recreation services. Allows DDS to implement the provision of social recreation services, camping services, and nonmedical therapies through participant-directed services. States legislative intent for social recreation services, camping services, and nonmedical therapies to include, but not be limited to, specialized recreation, art, dance, and music, and that these services be made widely available to individuals with developmental disabilities, not only for socialization, but to lead the lives they want in the community.

INFORMATION

- **Regional Center Purchase of Service Data** - Requires DDS to post data relating to purchase of service authorization, utilization, and expenditure across various demographics on a statewide aggregate basis. Requires the department to provide trend analysis on the changes observed in this data over time, and requires the department and regional centers to post this information. Requires the department to maximize transparency whenever possible, including aggregation by region. Requires the department to consult with stakeholders twice a year to review purchase of services data and identify barriers to equitable access to services and supports among individuals and develop recommendations to help reduce disparities in purchase of service expenditures. Requires purchase of service data to be deidentified in a manner that maximizes transparency.

EMPLOYMENT

- **Employment First Office** - Requires the State Council on Developmental Disabilities (SCDD) to form a standing Employment First Committee, responsible for identifying the respective roles and responsibilities of state and local agencies in enhancing integrated and gainful employment opportunities for people with IDD, identifying strategies for increasing integrated employment, identifying sources of employment data, and recommending goals and policy changes for increasing integrated employment. Beginning July 1, 2024, establishes the Office of Employment First. The Office's mission is to coordinate the Employment First Policy, in order to reduce redundancy, ensure coordination of all employment support services across all agencies and departments, avoid fragmentation of services, guide strategic planning, and promote racial equity toward employment for individuals with IDD.
- **Limited Examination and Appointment Program (LEAP)** - Permanently extends the LEAP program, which permits individuals with developmental disabilities to choose to complete a written examination or readiness evaluation, or to complete an internship, in order to meet qualifications for state service.

SSI/SSP

- **State Supplementary Program (SSP) 2024 Grant Increase** - Subject to an appropriation in the Budget Act of 2023, and commencing January 1, 2024, increases the amount of aid paid under the State Supplementary Program for the Aged, Blind and Disabled (SSP) by a percentage increase calculated by the CDSS and the Department of Finance, and requires those departments to notify specified legislative committees and the Legislative Analyst's Office of the final percentage increase effectuated by the appropriation in the Budget Act of 2023 for the purposes of implementing the increase. The planned SSP increase at the 2023 May Revision is approximately 8.6%.

In-Home Supportive Services (IHSS)

IHSS parent provider reform: No more leaving full-time employment requirement - Deletes currently codified conditions under which a provider who has the legal duty to provide for the care of their child who is the recipient of supportive services may be remunerated for the services provided. This change will allow IHSS-eligible minor recipients to select a parent or a non-parent as their provider. Requires that these policy changes to minor provider eligibility guidelines are to take effect 60 days after the CDSS issues policy guidance and, if needed, fiscal guidance through all-county letter or similar written instructions. The Budget Act includes \$60.7 million (\$27.9 million General Fund) ongoing for this policy change.

K-12 Education

- **Overall Education Budget** - Despite the deficit, education did not experience the same level of cuts as other areas. The final Prop 98 guarantee is slightly higher than the Governor originally estimated. The budget included an increase of \$3.4 billion for LCFF and an 8.22% cost of living adjustment for 23-24. Overall, the total amount of cuts is about \$1.79billion (about \$335 per pupil) which was taken from the Arts and Music Block grant, and the Learning Recovery Emergency Block Grant.
- **Reading Screening** - Requires LEAs to begin screening pupils in kindergarten through second grade for risk of reading difficulties, including dyslexia, by 2025-2026.
- **Special Education** - Special Education receives the 8.22% COLA and requires in 2023-24 that each special education local plan area (SELPA) allocate funding to LEAs at least equal to prior year per pupil funding plus the COLA.
- **Mental Health** - Prohibits a health care service plan or health insurer from requiring prior authorization for behavioral health crisis stabilization services and care, but authorizes prior authorization for medically necessary mental health or substance use disorder services following stabilization from a behavioral health crisis addressed by services provided through the 988 system.
- **Nutrition** - Continues the Universal Meal program which guarantees 2 free meals per day to any k12 student regardless of income eligibility.

- **TK Expansions** - Funding for the second year of TK expansion to provide eligibility for all children turning five-years-old between September 2 and April 2 and maintains funds to support one additional certificated or classified staff person in transitional kindergarten classes.