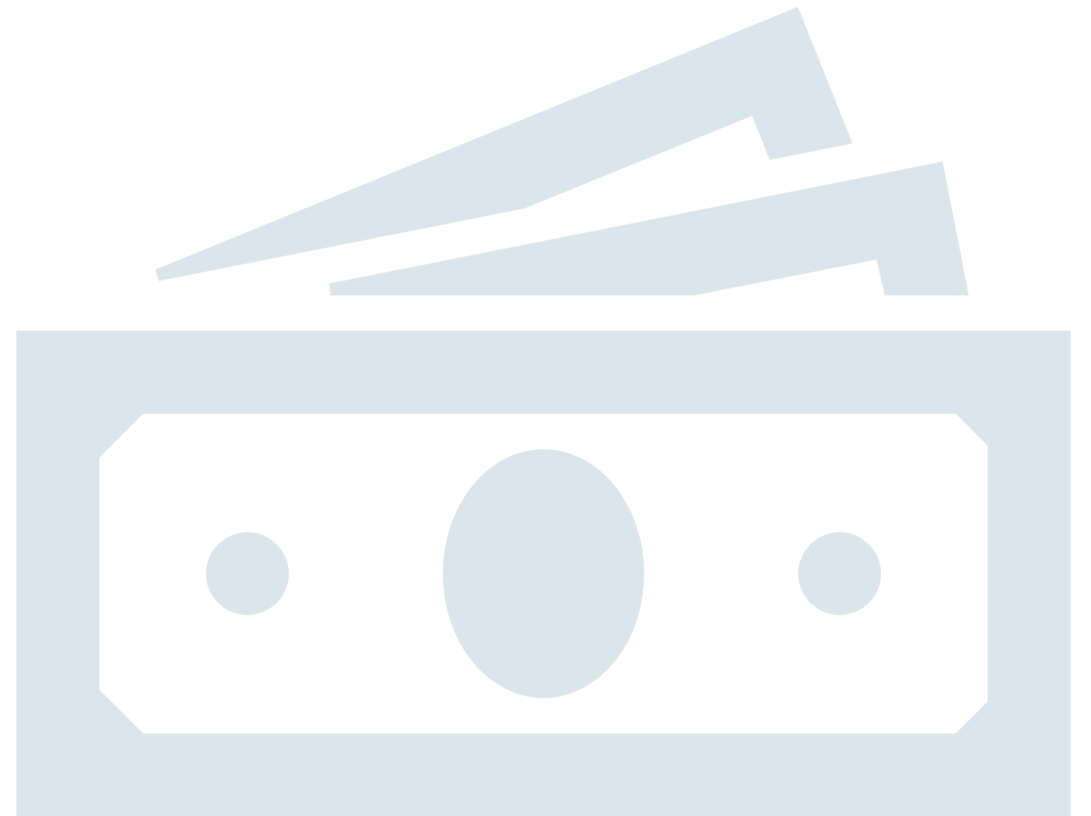


# Proposed California State Budget – 1/10/2025

Presentation for the Contra Costa  
DD Council

1/22/2025

Will Sanford



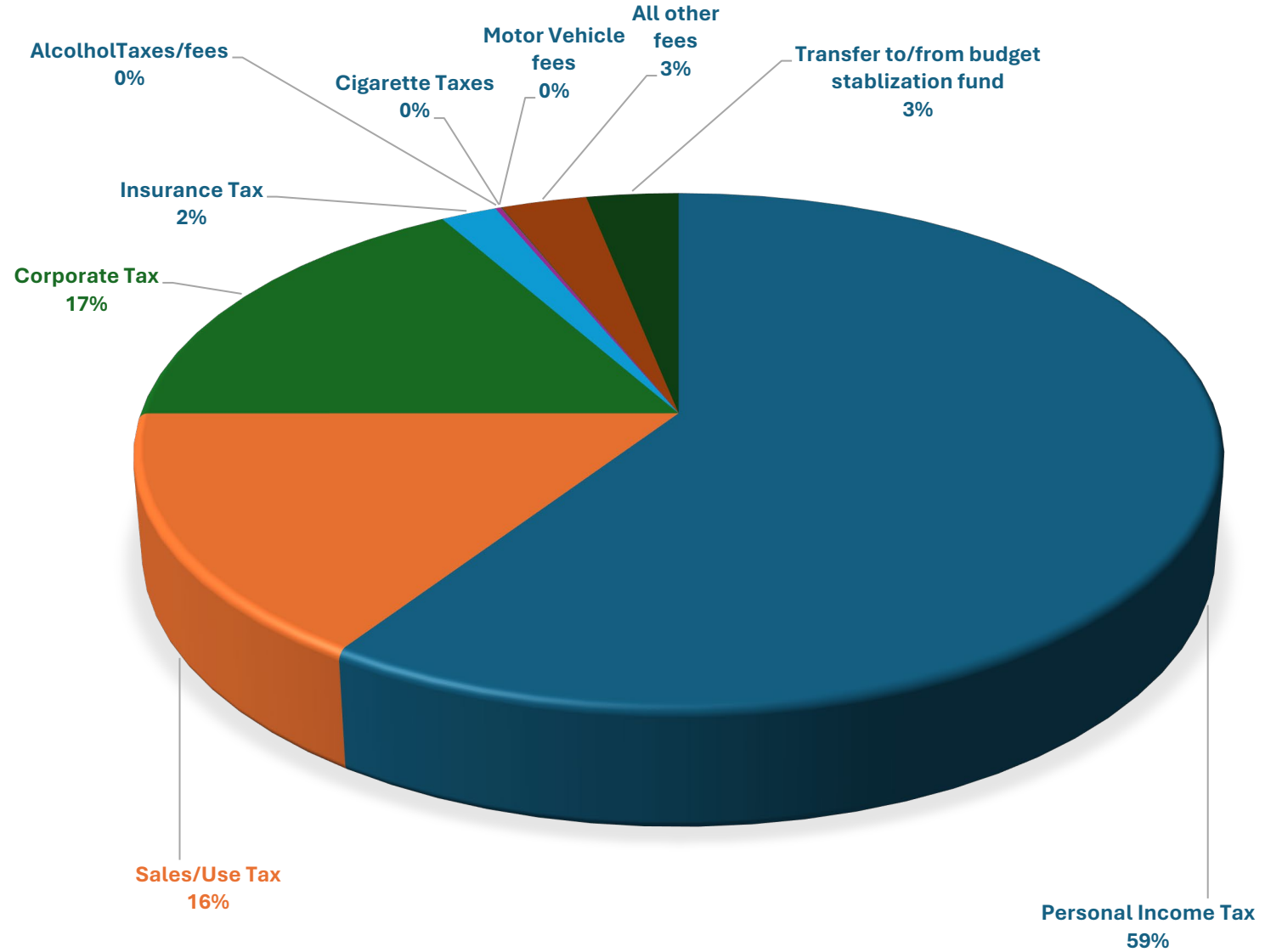
# The Big Picture

- Governor Newsom presented a “Balance Budget” for BY 2025-26
  - Some good news – they are expecting \$ 16.5 billion in additional revenue
  - It is built on the actions taken for the current year’s Budget.
  - It assumes maintaining services and support for key areas, such as early education and support for developmental services and other health care supports for all.
  - It does not assume any changes in current support from the Federal Government – a very large question mark.
  - It does not assume or plan for any new/increased taxes.
  - It was completed before the catastrophic fires in the LA area, so the impact of that will be an additional question Mark
- It is a plain vanilla/placeholder budget the May revise will be key!

# The Big Numbers

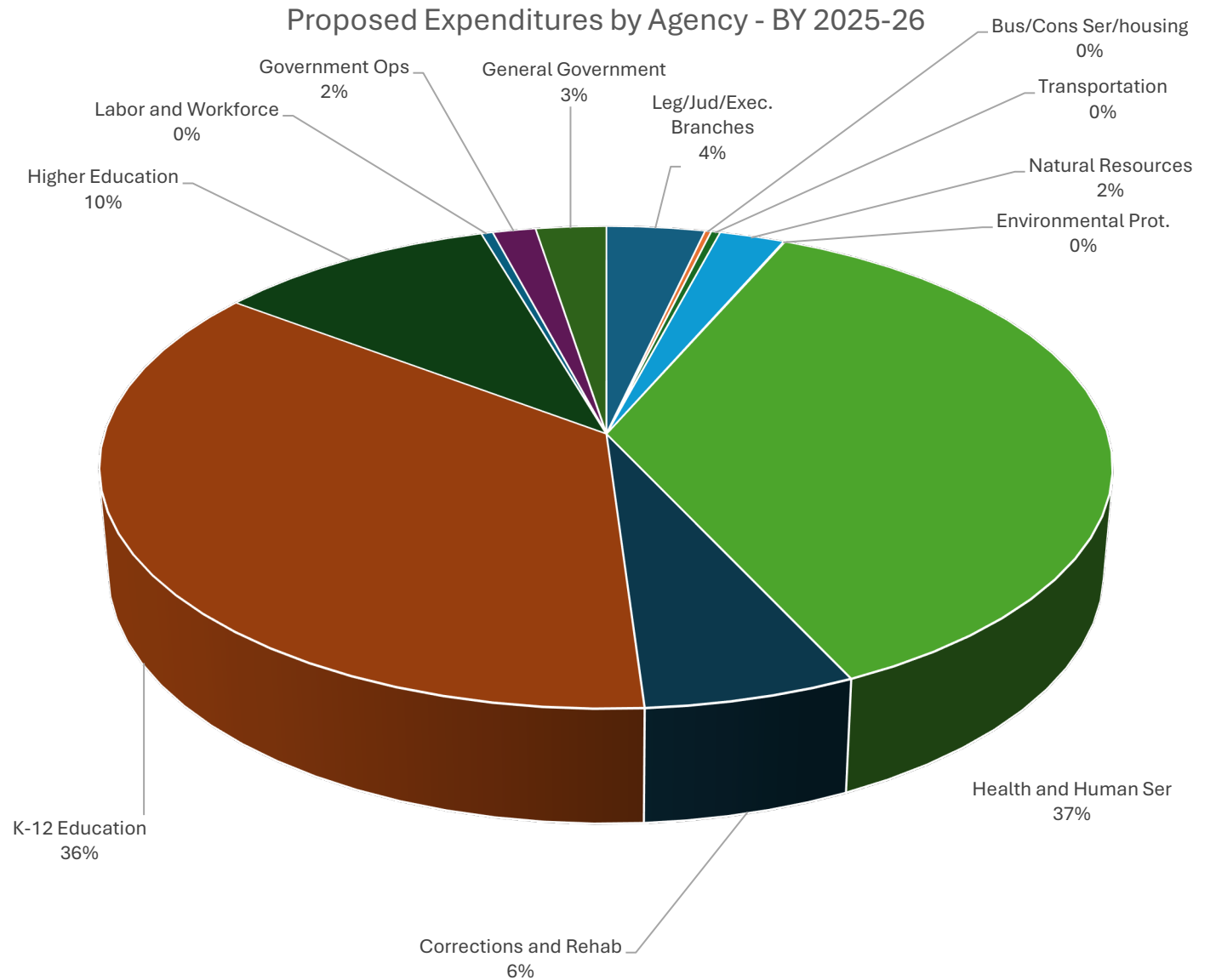
- Starting reserve Balance \$ 26.3 Billion
- Expected Revenue of \$ 225.1 Billion
- Expected Expenses of \$ 228.9 Billion
- With an expected ending reserve balance of \$ 22.5 Billion
- Uses \$ 7.1 B from our current Rainy-Day fund (leaving \$ 10.9 Billion for future challenges)

## PROJECTED REVENUE FOR BY 2025-26



Sources of  
State  
Revenue BY  
2025-26

# Proposed Expenditures BY 2025-26



# DDS – Big Picture

- Fully funds Caseload Growth – over 500,000 individuals served
- Finalizes implementation of Rate Reform
- Overall budget increase is \$ 3.5 B over our current year
- Increases support from the Federal Government by \$ 1 B
- Adds new funding to Regional Operations Budgets to implement the new Public Records Act requirement
- Proposes the implementation of our DSP Workforce training and Bi-lingual differentials

# Individuals Projected to be Served

Category	FY 2024-25 Enacted	FY 2024-25 1/10/2025 - revised	BY 2025-26 1/10/2025 - proposed	% Change
<b>Community-Based Individuals Served</b>				
Early Start	66,186	66,186	66,756	.86%
Provisional Eligibility (Birth Through 35 months)	11,992	11,992	15,623	9.18 %
3 and Over	386,987	386,987	422,526	30.28 %
<b>Total Community</b>	<b>465,165</b>	<b>465,165</b>	<b>504,905</b>	<b>8.54 %</b>
<b>State Operated Facilities</b>				
Canyon Springs	56	56	56	0%
Porterville STP	211	211	211	0%
STAR and CAST	38	38	38	0%
<b>Total State Operated</b>	<b>305</b>	<b>305</b>	<b>305</b>	<b>0%</b>

# DDS Big Picture: Expenditures

Expenditures	FY 2024-25 Enacted	FY 2024-25 1/10/2025 - revised	BY 2025-26 1/10/2025 - proposed	\$ Change revised to FY 2025-26
Community Services	\$ 15,372,010,000	\$ 15,346,960,000	\$ 18,540,100,000	\$ 3,193,140,000
State Operated Facilities	\$ 321,553,000	\$ 314,704,000	\$ 324,643,000	\$ 9,939,000
Headquarters	\$ 168,444,000	\$ 159,019,000	\$ 156,631,000	<\$ 2,388,000>
<b>Total IDD Support</b>	<b>\$ 15,862,007,000</b>	<b>\$ 15,820,683,000</b>	<b>\$ 19,021,374,000</b>	<b>\$ 3,200,691,000</b>

Average Cost per individual served	FY 2024-25 Enacted	FY 2024-25 – revised 1/10/25	BY 2025-26 1/10/25 - proposed
Community Services	\$ 33,046	\$ 34,320	\$ 36,719
State Operated	1,054,272	\$ 1,031,816	\$ 1,064,403



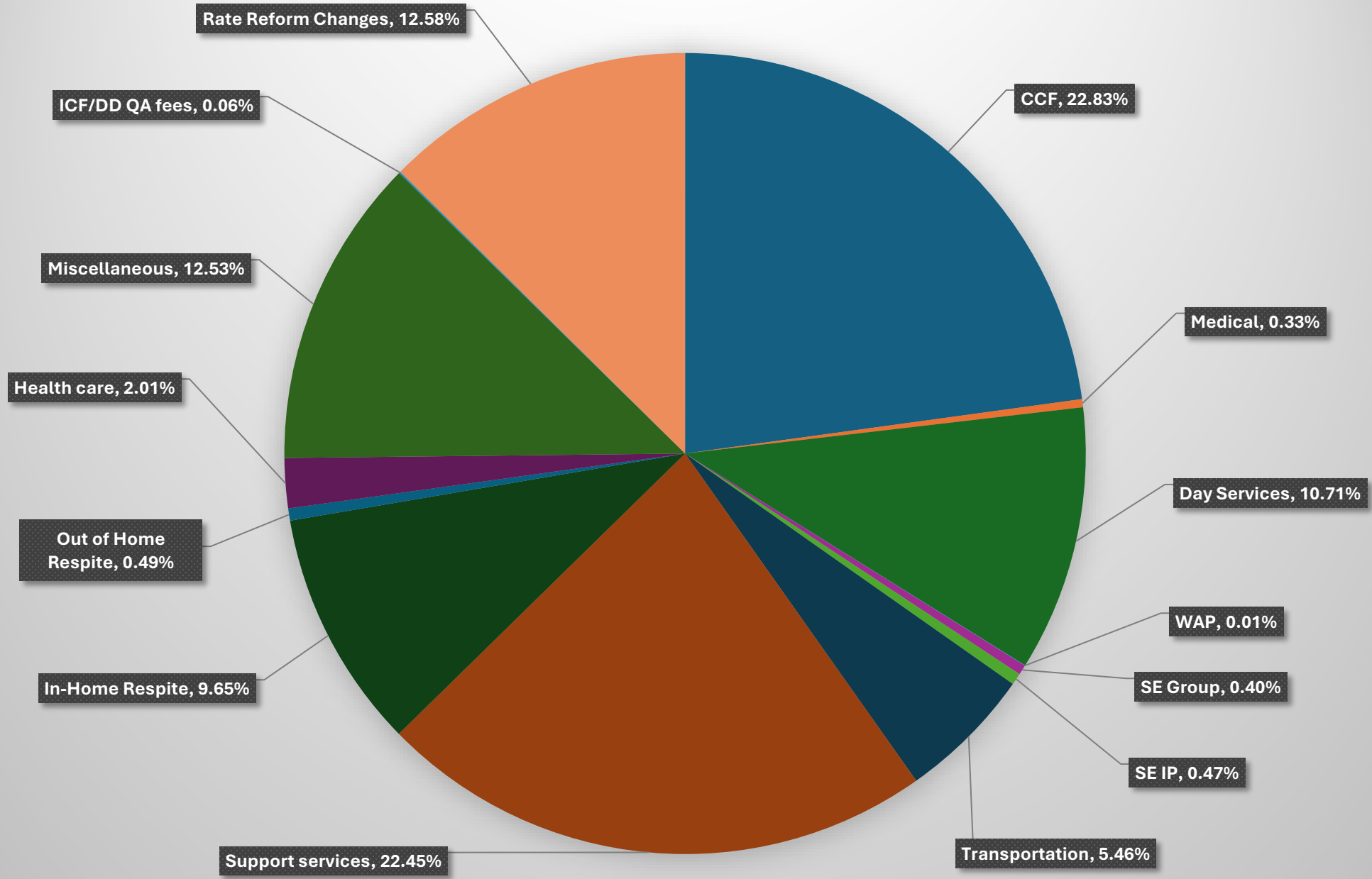
# DDS Big Picture: Funding Sources (Community Services)

Funding Sources	FY 2024-25 Enacted	FY 2024-25 1/10/2025 - revised	BY 2025-26 1/10/2025 - proposed	\$ Change (revised to budget)	% Change (revised to budget)
- General Fund – Match	\$ 5,125,775,000	\$ 5,121,078,000	\$ 6,206,526,000	\$ 1,085,448,000	21.20%
- General Fund - Other	\$ 4,777,776,000	\$ 4,755,704,000	\$ 5,846,092,000	\$ 1,090,388,000	22.93%
<b>Total General Fund</b>	<b>\$ 9,903,551,000</b>	<b>\$ 9,882,782,000</b>	<b>\$ 12,052,618,000</b>	<b>\$ 2,175,836,000</b>	<b>22.02 %</b>
Reimbursements	\$ 5,431,579,000	\$ 5,428,797,000	\$ 6,452,101,000	\$ 1,023,304,000	18.85 %
All other funds	\$ 58,662,000	\$ 56,913,000	\$ 56,913,000	\$ 0	0.00 %
<b>Total IDD Support</b>	<b>\$ 15,393,792,000</b>	<b>\$ 15,368,492,000</b>	<b>\$ 18,561,632,000</b>	<b>\$ 3,199,140,000</b>	<b>20.82 %</b>

# Overall Community Services Funding

Item	FY 2024-25 Enacted	FY 2024-25 1/10/2025 - Revised	BY 2025-26 1/10/2025 - proposed	\$ Change Budget Revision
<b>Regional Center (RC) Operations</b>				
Caseload support	\$ 1,528,094,000	\$ 1,528,094,000	\$ 1,681,475,000	\$ 153,381,000
Policy Support	\$ 23,812,000	\$ 23,812,000	\$ 22,343,000	<\$ 1,469,000>
<b>Total RC Operations</b>	<b>\$ 1,551,906,000</b>	<b>\$ 1,551,906,000</b>	<b>\$ 1,703,818,000</b>	<b>\$ 151,912,000</b>
<b>Purchase of Services (POS)</b>				
Caseload/Utilization	\$ 11,902,490,000	\$ 12,073,397,000	\$ 14,680,799,000	\$ 2,607,402,000
POS Policy	\$ 1,917,614,000	\$ 1,704,657,000	\$ 2,155,433,000	\$ 450,776,000
<b>Total POS</b>	<b>\$ 13,820,104,000</b>	<b>\$ 13,778,054,000</b>	<b>\$ 16,836,232,000</b>	<b>\$ 3,058,178,000</b>
Early Start Part C	\$ 19,779,000	\$ 19,529,000	\$ 19,529,000	\$ 0
Family Resource	\$ 2,003,000	\$ 2,003,000	\$ 2,003,000	\$ 0
<b>Total Community</b>	<b>\$ 15,393,792,000</b>	<b>\$ 15,368,492,000</b>	<b>\$ 18,561,632,000</b>	<b>\$ 3,193,140,000</b>

# DDS – Service Allocation as a % of total POS (BY 2025-26)



# What are DDS Budget Policies?

- In the Budget Process, when new opportunities/options are proposed for either Regional Center Operations and/or Purchase of Services, as either one-time or to develop a new service/option, they show up as Policies.
- They typically continue until they sunset or are rolled into the overall budget item, whether it is the Operations budget or a particular POS category.
- In some cases, the question is where did they go?

# Purchase of Service Policy Expenditures

Category	FY 2024-25 Enacted	FY 2024-25 1/10/2025 - revised	BY 2025-26 1/10/2025 - Proposed
Early Start Eligibility*	\$ 13,208,000	\$ 0	\$ 0
Provisional Eligibility*	\$ 76,614,000	\$ 0	
On-Going POS Items			
- Best Buddies	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
- CIE/PIP Incentives*	\$ 29,000,000	\$ 0	\$ 0
- HCBS Compliance Support	\$ 15,000,000	\$ 15,000,000	\$ 15,000,000
- Bi-Lingual Differentials	\$ 7,200,000	\$ 0	\$ 7,200,000
- DSP Workforce training and Dev.	\$ 17,850,000	\$ 0	\$ 17,850,000
Social Rec/Camping*	\$ 45,485,000	\$ 0	\$ 0
Service Provider Rate Reform	\$ 1,704,657,000	\$ 1,704,657,000	\$ 2,113,433,000
<b>Total POS Policy</b>	<b>\$ 1,917,614,000</b>	<b>\$ 1,721,657,000</b>	<b>\$ 2,155,483,000</b>

\* Policy expenditures have now been moved into the appropriate POS Category

# Operations Policy - Expenditures

Category	FY 2024-25 Enacted	FY 2024-25 1/10/2025 - revised	BY 2025-26 1/10/2025 - Proposed
Public Records Act (AB1147)	\$ 0	\$ 0	\$ 9,696,000
UFSM & CERMS**	\$ 2,665,000	\$ 2,665,000	\$ 0
Service Provider Rate Reform	\$ 21,147,000	\$ 21,147,000	\$ 12,647,000
<b>Total Operations Policy Items</b>	<b>\$ 23,812,000</b>	<b>\$ 23,812,000</b>	<b>\$ 22,343,000</b>

\*\* UFSM & CERMS – Uniform Fiscal System Modernization & Consumer Electronic Records Management System Project (prep work)

# DDS Identified Future Fiscal Issues

- **Rate Reform and Quality Incentive Implementation** – Implementation 1/1/25, DDS need to develop review and updating of costs and continue discussion of Quality Incentive Measures.
- **Complex Needs Growth** – Identified individuals with ASD may need Increased Safety Net Services, 51% of the overall caseload has ASD diagnosis, 72% of those in the 0 to 21 age group, have that diagnosis.
- **Federal Access Rule** – Next round of new CMS requirements, related to rates and reporting of quality measures and handling of grievances.
- **The Master Plan for Developmental Services** – This was not noted in the DDS budget document?????

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- **The Master Plan for Developmental Services** – This was not noted in the DDS budget document?????



# Questions?



# Next Steps

- East Bay Legislative Committee is holding its annual Town hall meeting:
  - In-Person – January 31<sup>st</sup> from 10 am to 11:30
  - RCEB – San Leandro Office – 500 Davis Street, San Leandro
  - If interested please, sign up thru our eventbrite
- [2025 EBLC Legislative Town Hall and Breakfast RSVP Link](#)

# Developmental Services Glossary

Acronym	Term
<b>FY</b>	Fiscal Year
<b>BY</b>	Budget Year
<b>LAO</b>	Legislative Analysts Office
<b>DOF</b>	Department of Finance
<b>GF</b>	General Fund
<b>TF</b>	Total Fund
<b>ARPA</b>	American Rescue Plan Act
<b>FMAP</b>	Federal Medical Assistance Percentage
<b>POS</b>	Purchase of Services

# Developmental Services Glossary

Acronym	Term
<b>DDS</b>	Department of Developmental Services
<b>RC</b>	Regional Center
<b>IDD</b>	Intellectual and Developmental Disability
<b>STP</b>	Secure Treatment Program
<b>STAR</b>	Stabilization Training Assistance Reintegration
<b>CAST</b>	Crisis Assessment Stabilization Teams
<b>HCBS</b>	Home- and Community-Based Services
<b>ICF</b>	Intermediate Care Facility
<b>QA</b>	Quality Assurance
<b>START</b>	Systemic, Therapeutic, Assessment, Resources and Treatment
<b>SDP</b>	Self-Determination Program
<b>PIP</b>	Paid Internship Program
<b>CIE</b>	Competitive Integrated Employment
<b>DSP</b>	Direct Support Professional
<b>FMS</b>	Financial Management Services
<b>UFMS</b>	Uniform Fiscal System Modernization
<b>CERMS</b>	Consumer Electronic Records Management System
<b>IPP</b>	Individual Program Plan
<b>EVV</b>	Electronic Visit Verification