

**Department of Developmental Services**

**2024-25 Governor's Budget Highlights**



**Gavin Newsom  
Governor  
State of California**

**Mark Ghaly MD, MPH  
Secretary  
California Health and Human Services Agency**

**Nancy Bargmann  
Director  
Department of Developmental Services**

January 2024

## **DEPARTMENT OF DEVELOPMENTAL SERVICES**

### **2024 GOVERNOR'S BUDGET 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 with intellectual and developmental disabilities to lead more independent, productive, and integrated lives. Additionally, the Early Start Program provides services to infants and toddlers 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 (consumers) is expected to be 429,453 in the current year and increase to 458,228 in fiscal year (FY) 2024-25. In addition, the Department projects capacity for 302 individuals that can be served through state-operated services.

This year, DDS will develop a Master Plan for Developmental Services to improve the experience of individuals and families receiving developmental services. DDS plans to reconstitute the DS Task Force to serve as the workgroup to inform the development of the Plan with a focus on reviewing data and information, and make recommendations that emphasize quality, equity, and outcomes, while improving regional center accountability. Further details will be shared with the community.

This Master Plan will outline shared goals for developmental services that are person-centered, equity-focused, and data-driven while maximizing the effectiveness of recent investments to improve outcomes for consumers.

### **2024 GOVERNOR'S BUDGET SUMMARY**

The Governor's Budget includes \$15.3 billion total funds (TF) (\$10 billion General Fund [GF]) for FY 2024-25; a net increase of \$1.6 billion TF (\$1.7 billion GF) over the updated FY 2023-24 budget, which is an 11.7 percent TF increase.

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

- Service Provider Rate Reform (-\$1 billion TF, -\$612.5 million GF): Due to resource availability, returns full implementation of service provider rate reform to the original timeline of July 1, 2025, while maintaining focus on improving outcomes and quality of services through the Quality Incentive Program.
- Fairview Warm Shutdown (\$11.3 million GF): An additional year of funding to support the warm shutdown of Fairview Developmental Center as the property disposition process continues.
- Preschool Inclusion Grants (-\$10 million GF): A delay of the grant program from FY 2024-25 until FY 2026-27.

**Program Highlights**

(Dollars in Thousands)

	FY 2023-24*	FY 2024-25	Difference
<b>Community Services Program</b>			
Regional Centers	\$13,212,140	\$14,809,088	\$1,596,948
<b>Total, Community Services</b>	<b>\$13,212,140</b>	<b>\$14,809,088</b>	<b>\$1,596,948</b>
General Fund	\$7,842,039	\$9,557,907	\$1,715,868
Program Development Fund	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Federal Trust Fund	\$57,470	\$57,470	\$0
Reimbursements	\$4,459,265	\$5,192,387	\$733,122
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$502,237	\$0	(\$502,237)
HCBS ARPA Reimbursements	\$349,805	\$0	(\$349,805)
<b>State Operated Services</b>			
Personal Services	\$260,182	\$284,624	\$24,442
Operating Expense & Equipment	\$66,966	\$63,945	(\$3,021)
<b>Total, State Operated Services</b>	<b>\$327,148</b>	<b>\$348,569</b>	<b>\$21,421</b>
General Fund	\$291,327	\$313,524	\$22,197
Lottery Education Fund	\$100	\$100	\$0
Reimbursements	\$35,721	\$34,945	(\$776)
<b>Headquarters Support</b>			
Personal Services	\$123,686	\$119,602	(\$4,084)
Operating Expense & Equipment	\$51,820	\$36,892	(\$14,928)
<b>Total, Headquarters Support</b>	<b>\$175,506</b>	<b>\$156,494</b>	<b>(\$19,012)</b>
General Fund	\$109,301	\$101,096	(\$8,205)
Federal Trust Fund	\$2,979	\$3,010	\$31
Program Development Fund	\$451	\$452	\$1
Reimbursements	\$53,487	\$51,425	(\$2,062)
Mental Health Services Fund	\$511	\$511	\$0
HCBS ARPA	\$6,523	\$0	(\$6,523)
HCBS ARPA Reimbursements	\$2,254	\$0	(\$2,254)
<b>Total, All Programs</b>	<b>\$13,714,794</b>	<b>\$15,314,151</b>	<b>\$1,599,357</b>
<b>Total Funding</b>			
General Fund	\$8,242,667	\$9,972,527	\$1,729,860
Federal Trust Fund	\$60,449	\$60,480	\$31
Lottery Education Fund	\$100	\$100	\$0
Program Development Fund	\$885	\$886	\$1
Developmental Disabilities Services Account	\$150	\$150	\$0
Reimbursements	\$4,548,473	\$5,278,757	\$730,284
Mental Health Services Fund	\$1,251	\$1,251	\$0
HCBS ARPA	\$508,760	\$0	(\$508,760)
HCBS ARPA Reimbursements	\$352,059	\$0	(\$352,059)
<b>Total, All Funds</b>	<b>\$13,714,794</b>	<b>\$15,314,151</b>	<b>\$1,599,357</b>

\*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
<b>Caseloads</b>			
State Operated Services	302	302	0
Regional Centers	429,453	458,228	28,775
<b>Departmental Positions</b>			
State Operated Services	1,912.2	1,969.9	57.7
Headquarters	712.0	708.0	-4.0

**COMMUNITY SERVICES PROGRAM**

**FY 2023-24**

Costs and Fund Sources

The FY 2023-24 updated regional center budget includes \$13.2 billion TF (\$7.8 billion GF), a net decrease of \$392.2 million TF (\$286.0 million GF) as compared to the Enacted Budget. This includes a projected decrease of \$392.4 million TF in purchase of services (POS) expenditures and an increase of \$250,000 TF in operations costs.

<b>Costs and Fund Sources</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
Operations	\$1,418,703	\$1,418,953	\$250
Purchase of Services	\$12,164,516	\$11,772,089	(\$392,427)
Early Start Part C/Other Agency Costs	\$19,095	\$19,095	\$0
Early Start Family Resource Services	\$2,003	\$2,003	\$0
<b>Total Costs</b>	<b>\$13,604,317</b>	<b>\$13,212,140</b>	<b>(\$392,177)</b>
General Fund (GF)	\$8,128,058	\$7,842,039	(\$286,019)
<i>GF Match</i>	\$4,234,395	\$4,040,954	(\$193,441)
<i>GF Other</i>	\$3,893,663	\$3,801,085	(\$92,578)
Reimbursements	\$4,651,996	\$4,459,265	(\$192,731)
Program Development Fund	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$451,440	\$502,237	\$50,797
HCBS ARPA Reimbursements	\$314,029	\$349,805	\$35,776
Federal Funds	\$57,470	\$57,470	\$0
<b>Fund Sources</b>	<b>\$13,604,317</b>	<b>\$13,212,140</b>	<b>(\$392,177)</b>

Population

There is no change to the current year caseload from the Enacted Budget.

Caseload	Enacted Budget	FY 2023-24	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
<b>Total Community Caseload</b>	<b>429,453</b>	<b>429,453</b>	<b>0</b>

Regional Center Operations – Caseload

There is no change to the current year from the Enacted Budget.

<b>Operations – Caseload</b> <i>(Dollars in Thousands)</i>			
	Enacted Budget	FY 2023-24	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
<b>Total Operations – Caseload</b>	<b>\$1,170,171</b>	<b>\$1,170,171</b>	<b>\$0</b>

Regional Center Operations – Policy

There is no change to the current year Operations policy from the Enacted Budget.

<b>Operations – Policy</b> <i>(Dollars in Thousands)</i>			
	Enacted Budget	FY 2023-24	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
<b>Total Operations – Policy</b>	<b>\$248,532</b>	<b>\$248,532</b>	<b>\$0</b>

Regional Center Operations – Control Section 19.565 Augmentation

Control Section 19.565 of the 2023 Budget Act allocated \$250,000 GF to the Los Angeles County Department of Mental Health for the Special Needs Network.

**Purchase of Services (POS) – Caseload**

Updated POS expenditures reflect a net decrease of \$153.8 million TF (\$88.3 million GF) as compared to the Enacted Budget. The table below displays adjustments by category from the Enacted Budget.

<b>Purchase of Services Caseload (Utilization and Growth) (Dollars in Thousands)</b>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
Community Care Facilities	\$2,884,241	\$3,165,034	\$280,793
Medical Facilities	\$49,590	\$44,100	(\$5,490)
Day Programs	\$1,439,930	\$1,477,872	\$37,942
Habilitation Services	\$140,264	\$139,467	(\$797)
<i>Work Activity Program</i>	\$11,267	\$10,234	(\$1,033)
<i>Supported Employment Program – Group</i>	\$75,560	\$76,175	\$615
<i>Supported Employment Program – Individual</i>	\$53,437	\$53,058	(\$379)
Transportation	\$578,281	\$438,599	(\$139,682)
Support Services	\$2,700,083	\$2,646,111	(\$53,972)
In-Home Respite	\$1,440,982	\$1,127,063	(\$313,919)
Out-of-Home Respite	\$47,085	\$49,144	\$2,059
Health Care	\$270,411	\$257,409	(\$13,002)
Miscellaneous Services	\$1,000,604	\$1,052,426	\$51,822
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$9,053	\$9,514	\$461
<b>Total POS – Caseload</b>	<b>\$10,560,524</b>	<b>\$10,406,739</b>	<b>(\$153,785)</b>

**POS – Policy**

There is a net decrease of \$239.6 million TF (\$195.1 million GF) in policy-related expenditures as compared to the Enacted Budget. This is primarily driven by the following:

- Shift of \$225.3 million TF (\$134.7 million GF) from policy to POS budget categories for items displayed under policy in the Enacted Budget.
- Social Recreation and Camping Services: Decrease of \$22.9 million HCBS ARPA fund based on updated expenditure data.
- Direct Service Professional Workforce Training: Decrease of \$8.9 million (\$5.9 million GF) reflecting updated implementation timeline.

<b>Purchase of Services – Policy</b>			
<i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
Coordinated Family Support Services <sup>2</sup>	\$18,000	\$36,000	\$18,000
Financial Management Services for SDP Participants <sup>1</sup>	\$7,200	\$0	(\$7,200)
Ongoing Purchase of Services Items	\$53,200	\$53,200	\$0
SB 3, 2023 <sup>1</sup>	\$121,233	\$0	(\$121,233)
SB 3, 2024 CPI Adjustment <sup>1</sup>	\$77,188	\$0	(\$77,188)
Social Recreation and Camping Services	\$42,700	\$19,766	(\$22,934)
START Training <sup>1</sup>	\$19,632	\$0	(\$19,632)
Direct Service Professional Workforce Training and Development	\$11,900	\$2,975	(\$8,925)
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	\$3,925	\$3,395	(\$530)
Service Provider Rate Reform	\$1,179,266	\$1,179,266	\$0
<b>Total POS – Policy</b>	<b>\$1,603,992</b>	<b>\$1,364,350</b>	<b>(\$239,642)</b>

<sup>1</sup>These policies are fully incorporated into the caseload and utilization.

<sup>2</sup>An additional \$18 million was budgeted utilizing HCBS ARPA resources for a total of \$36 million in FY 2023-24. This technical adjustment is related to reconciling past year accruals with HCBS ARPA funding.

**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.

**HCBS American Rescue Plan Act (ARPA) Funding**

Compared to Enacted Budget, there is a net increase of \$50.8 million in HCBS ARPA funding and \$35.8 million in matching reimbursements, compared to the Enacted Budget for 2023-24. There is no change to the multi-year total of HCBS ARPA funding; however, there are changes to the corresponding reimbursements.

<b>HCBS American Rescue Plan Act Funding</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
HCBS ARPA	\$451,440	\$502,237	\$50,797
HCBS ARPA Reimbursements	\$314,029	\$349,805	\$35,776
<b>Total HCBS ARPA</b>	<b>\$765,469</b>	<b>\$852,042</b>	<b>\$86,573</b>

**Reimbursements**

The updated current year reflects a net decrease of \$192.7 million in reimbursements as compared to the Enacted Budget. Adjustments are reflected in the table below. The main driver is a decrease in projected expenditures.

<b>Reimbursements</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
Home and Community-Based Services (HCBS) Waiver	\$3,148,162	\$3,002,014	(\$146,148)
HCBS Waiver Administration	\$23,400	\$23,198	(\$202)
Medicaid Administration	\$20,618	\$21,368	\$750
Targeted Case Management	\$359,201	\$362,478	\$3,277
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	\$56,875	\$59,775	\$2,900
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$9,891	\$10,352	\$461
1915(i) State Plan Amendment	\$620,506	\$614,779	(\$5,727)
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	\$168,294	\$120,252	(\$48,042)
<b>Total Reimbursements</b>	<b>\$4,651,996</b>	<b>\$4,459,265</b>	<b>(\$192,731)</b>

**Federal Funds**

There is no change as compared to the Enacted Budget.

<b>Federal Funds</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
Early Start Part C/Other Agency Costs	\$56,325	\$56,325	\$0
Foster Grandparent Program	\$1,145	\$1,145	\$0
<b>Total Federal Funds</b>	<b>\$57,470</b>	<b>\$57,470</b>	<b>\$0</b>



**FY 2024-25**

**Costs and Fund Sources**

The FY 2024-25 regional center budget includes \$14.8 billion TF (\$9.6 billion GF), a net increase of \$1.6 billion TF (\$1.7 billion GF) as compared to the updated current year. This includes a projected \$106.2 million TF increase in regional center operations costs, and \$1.5 billion TF increase in purchase of services expenditures.

<b>Costs and Fund Sources</b>			
<i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Operations	\$1,418,953	\$1,525,140	\$106,187
Purchase of Services	\$11,772,089	\$13,262,166	\$1,490,077
Early Start Part C/Other Agency Costs	\$19,095	\$19,779	\$684
Early Start Family Resource Services	\$2,003	\$2,003	\$0
<b>Total Costs</b>	<b>\$13,212,140</b>	<b>\$14,809,088</b>	<b>\$1,596,948</b>
General Fund (GF)	\$7,842,039	\$9,557,907	\$1,715,868
<i>GF Match</i>	\$4,040,954	\$4,889,723	\$848,769
<i>GF Other</i>	\$3,801,085	\$4,668,184	\$867,099
Reimbursements	\$4,459,265	\$5,192,387	\$733,122
Program Development Fund/Parental Fees	\$434	\$434	\$0
Developmental Disabilities Services Account	\$150	\$150	\$0
Mental Health Services Fund	\$740	\$740	\$0
HCBS ARPA	\$502,237	\$0	(\$502,237)
HCBS ARPA Reimbursements	\$349,805	\$0	(\$349,805)
Federal Funds	\$57,470	\$57,470	\$0
<b>Fund Sources</b>	<b>\$13,212,140</b>	<b>\$14,809,088</b>	<b>\$1,596,948</b>

**Population**

The Department forecasts an increase of 28,775 consumers compared to the updated current year.

<b>Caseload</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Active (Age 3 & Older)	359,280	377,898	18,618
Early Start (Birth through 35 Months)	61,647	68,338	6,691
Provisional Eligibility (Birth through Age 4)	8,526	11,992	3,466
<b>Total Community Caseload</b>	<b>429,453</b>	<b>458,228</b>	<b>28,775</b>

**Regional Center Operations – Caseload**

The budget year includes \$1.3 billion TF (\$921.9 million GF) for regional center operations, an increase of \$99.4 million (\$88.7 million GF increase) as compared to the updated current year budget. The increase is primarily attributed to anticipated caseload growth.

<b>Operations – Caseload</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Staffing Expenditures	\$1,081,683	\$1,179,831	\$98,148
Federal Compliance	\$49,552	\$49,552	\$0
Projects	\$37,259	\$38,427	\$1,168
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$1,677	\$1,762	\$85
<b>Total Operations – Caseload</b>	<b>\$1,170,171</b>	<b>\$1,269,572</b>	<b>\$99,401</b>

**Regional Center Operations – Policy**

The budget year includes \$255.6 million TF (\$178.6 million GF) for policies impacting regional center operations, an increase of \$7.0 million TF (\$21.8 million GF) as compared to the updated current year budget.

**Updated Policies:**

- Reduced Caseload Ratio for Children through Age Five: Increase of \$16.3 million TF (\$10.7 million GF) based upon the anticipated caseload.
- Lanterman Act Provisional Eligibility Ages 0 through 4: Increase of \$6.5 million GF based upon anticipated caseload.
- Compliance with HCBS Requirements: Increase of \$1.3 million TF (\$865,000 GF) to reflect full regional center staff phase-in to support efforts to comply with federal requirements.
- UFSM & CERMS: Decrease of \$9.8 million GF due to one-time funding in FY 2023-24. Resources continue to be assessed while the two projects go through the process of combining and project documents are updated through the state PAL process.
- Self-Determination Ongoing Implementation: Decrease of \$7.2 million TF (\$4.8 million GF) due to limited-term funding of Participant Choice Specialist positions through FY 2023-24 only.

<b>Operations – Policy</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Compliance with HCBS Requirements	\$4,044	\$5,336	\$1,292
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	\$169,494	\$16,282
UFSM & CERMS	\$9,830	\$0	(\$9,830)
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	\$22,781	\$6,492
Self-Determination Ongoing Implementation	\$7,800	\$600	(\$7,200)
Service Provider Rate Reform	\$21,147	\$21,147	\$0
<b>Total Operations – Policy</b>	<b>\$248,532</b>	<b>\$255,568</b>	<b>\$7,036</b>

**Purchase of Services (POS) Caseload**

The budget year includes \$11.9 billion TF (\$7.6 billion GF) for purchase of services, an increase of \$1.5 billion TF (\$1.0 billion GF), as compared to the updated current year budget. The net increase is primarily due to updated expenditure trends in utilization of various budget categories, as shown below.

<b>Purchase of Services Caseload (Utilization and Growth)</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Community Care Facilities	\$3,165,034	\$3,554,398	\$389,364
Medical Facilities	\$44,100	\$52,007	\$7,907
Day Programs	\$1,477,872	\$1,556,827	\$78,955
Habilitation Services	\$139,467	\$143,238	\$3,771
<i>Work Activity Program</i>	\$10,234	\$7,804	(\$2,430)
<i>Supported Employment Program – Group</i>	\$76,175	\$74,264	(\$1,911)
<i>Supported Employment Program – Individual</i>	\$53,058	\$61,170	\$8,112
Transportation	\$438,599	\$566,919	\$128,320
Support Services	\$2,646,111	\$3,015,633	\$369,522
In-Home Respite	\$1,127,063	\$1,309,342	\$182,279
Out of Home Respite	\$49,144	\$52,626	\$3,482
Health Care	\$257,409	\$305,779	\$48,370
Miscellaneous Services	\$1,052,426	\$1,291,444	\$239,018
Intermediate Care Facility-Developmentally Disabled			
Quality Assurance Fees	\$9,514	\$9,514	\$0
<b>Total POS – Caseload</b>	<b>\$10,406,739</b>	<b>\$11,857,727</b>	<b>\$1,450,988</b>

**POS – Policy**

The budget year includes \$1.4 billion TF (\$860.4 million GF) for policies impacting regional center purchase of services, an increase of \$40.1 million TF (\$585.6 million GF) as compared to the updated current year budget.

**Updated Policies:**

- Service Provide Rate Reform: Increase of \$15.0 million TF (\$497.0 million GF) supports adjustments to reflect annualized costs of mileage and Independent Living Services assumptions. Increased GF is related to the expiration of ARPA funding.
- Coordinated Family Support Services: Decrease of \$36.0 million TF (\$10.8 million GF) due to one-time HCBS ARPA funding for the program in FY 2023-24.
- Lanterman Act Provisional Eligibility Ages 0 through 4: Increase of \$23.1 million TF (\$9.1 million GF) based upon updated caseload growth.
- Social Recreation and Camping Services: Increase of \$22.9 million TF (\$14.8 million GF) based upon projected expenditures.
- Direct Service Professional Workforce Training and Development: Increase of \$14.9 million TF (\$9.8 million GF) due to updated program implementation.
- Self-Determination Ongoing Implementation: Increase of \$205,000 TF (\$131,000 GF) due to updated caseload growth projections.

<b>Purchase of Services – Policy</b>			
<i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Coordinated Family Support Services	\$36,000	\$0	(\$36,000)
Ongoing Purchase of Services Items	\$53,200	\$53,200	\$0
Social Recreation and Camping Services	\$19,766	\$42,700	\$22,934
Direct Service Professional Workforce Training and Development	\$2,975	\$17,850	\$14,875
Early Start Eligibility	\$13,208	\$13,208	\$0
Lanterman Act Provisional Eligibility Ages 0 through 4	\$56,540	\$79,614	\$23,074
Self-Determination Ongoing Implementation	\$3,395	\$3,600	\$205
Service Provider Rate Reform	\$1,179,266	\$1,194,267	\$15,001
<b>Total POS – Policy</b>	<b>\$1,364,350</b>	<b>\$1,404,439</b>	<b>\$40,089</b>

Reimbursements

The budget year includes \$5.2 billion in reimbursements, an increase of \$733.1 million as compared to the updated current year budget. Adjustments are reflected in the table below and the main drivers are increases in caseload and utilization.

<b>Reimbursements</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Home and Community-Based Services (HCBS) Waiver	\$3,002,014	\$3,525,382	\$523,368
HCBS Waiver Administration	\$23,198	\$23,995	\$797
Medicaid Administration	\$21,368	\$21,368	\$0
Targeted Case Management	\$362,478	\$376,374	\$13,896
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	\$58,741	(\$1,034)
Intermediate Care Facility-Developmentally Disabled Quality Assurance Fees	\$10,352	\$10,395	\$43
1915(i) State Plan Amendment	\$614,779	\$721,755	\$106,976
Early Periodic Screening Diagnosis and Treatment	\$20,147	\$19,798	(\$349)
Behavioral Health Treatment Fee-for-Service	\$11,481	\$11,481	\$0
Self-Determination Program Waiver	\$120,252	\$209,677	\$89,425
<b>Total Reimbursements</b>	<b>\$4,459,265</b>	<b>\$5,192,387</b>	<b>\$733,122</b>

Federal Funds

There is no change as compared to the updated current year budget.

<b>Federal Funds</b> <i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Early Start Part C/Other Agency Costs	\$56,325	\$56,325	\$0
Foster Grandparent Program	\$1,145	\$1,145	\$0
<b>Total Federal Funds</b>	<b>\$57,470</b>	<b>\$57,470</b>	<b>\$0</b>

**STATE OPERATED SERVICES**

**FY 2023-24**

The FY 2023-24 updated state-operated services budget includes \$327.1 million TF (\$291.3 million GF), a net decrease of \$8.8 million (\$9.7 million GF) compared to the Enacted Budget. This decrease largely is due to the workload adjustment at Porterville Developmental Center.

Facilities Update:

- Porterville Developmental Center: A one-time workload adjustment of - \$20.0 million GF to reflect workforce hiring challenges in the current year.

Policy

- Control Section Adjustments: An increase of \$11.3 million (\$10.3 million GF) due to employee compensation adjustments.

<b>Costs and Fund Sources</b>			
<i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
Personal Services	\$266,656	\$260,182	(\$6,474)
Operating Expenses and Equipment	\$60,961	\$58,705	(\$2,256)
Lease Revenue Bond	\$8,281	\$8,261	(\$20)
<b>Total Costs</b>	<b>\$335,898</b>	<b>\$327,148</b>	<b>(\$8,750)</b>
General Fund (GF)	\$301,071	\$291,327	(\$9,744)
<i>GF Match</i>	\$33,351	\$34,359	\$1,008
<i>GF Other</i>	\$267,720	\$256,968	(\$10,752)
Reimbursements	\$34,713	\$35,721	\$1,008
Lottery Fund	\$114	\$100	(\$14)
<b>Fund Sources</b>	<b>\$335,898</b>	<b>\$327,148</b>	<b>(\$8,750)</b>

**FY 2024-25**

The FY 2024-25 budget includes \$348.6 million (\$313.5 million GF), an increase of \$21.4 million TF (\$22.2 million GF) compared to the updated current year due to the one-time reduction in FY 2023-24, continued development of the Complex Needs Residential Program, and Control Section adjustments.

Facilities Update:

- Porterville Developmental Center: Year-over-year \$20 million GF change reflects full funding for authorized staff in FY 2024-25 following one-time workload adjustment in FY 2023-24.

Policy

- Fairview Warm Shutdown: \$11.3 million GF to support an additional year of warm shutdown of Fairview Developmental Center as the property disposition process continues.
- Complex Needs Residential Program: An increase of \$1.5 million GF due to phase-in of staff resources to support the development of the Program.

<b>Costs and Fund Sources</b>			
<i>(Dollars in Thousands)</i>			
	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Difference</b>
Personal Services	\$260,182	\$284,624	\$24,442
Operating Expenses and Equipment	\$58,705	\$55,681	(\$3,024)
Lease Revenue Bond	\$8,261	\$8,264	\$3
<b>Total Costs</b>	<b>\$327,148</b>	<b>\$348,569</b>	<b>\$21,421</b>
General Fund (GF)	\$291,327	\$313,524	\$22,197
<i>GF Match</i>	\$34,359	\$34,945	\$586
<i>GF Other</i>	\$256,968	\$278,579	\$21,611
Reimbursements	\$35,721	\$34,945	(\$776)
Lottery Fund	\$100	\$100	\$0
<b>Fund Sources</b>	<b>\$327,148</b>	<b>\$348,569</b>	<b>\$21,421</b>



**HEADQUARTERS**

**FY 2023-24**

The FY 2023-24 updated budget includes \$175.5 million TF (\$109.3 million GF) a net increase of \$6 million (\$4.2 million GF) compared to the Enacted Budget due to employee compensation adjustments.

**HCBS American Rescue Plan Act (ARPA) Funding**

Compared to Enacted Budget, there is a net increase of \$2.2 million in HCBS ARPA funding and \$1.2 million in matching reimbursements.

<b>American Rescue Plan Act Funding</b> <i>(Dollars in Thousands)</i>			
	<b>Enacted Budget</b>	<b>FY 2023-24</b>	<b>Difference</b>
HCBS ARPA	\$4,350	\$6,523	\$2,173
HCBS ARPA Reimbursements	\$1,089	\$2,254	\$1,165
<b>Total HCBS ARPA</b>	<b>\$5,439</b>	<b>\$8,777</b>	<b>\$3,338</b>

**FY 2024-25**

The FY 2024-25 budget includes \$156.5 million TF (\$101.1 million GF), a net decrease of -\$15.7 million TF (-\$8.2 million GF) compared to the updated current year due to the employee compensation adjustment, the expiration of HCBS ARPA funding, and various prior year limited-term budget change proposals expiring on June 30, 2024.