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**Governor Newsom’s 2021-22 January Budget Proposal**

Governor Newsom released his 2020-21 budget blueprint. The budget projects a one-time windfall of revenue despite the challenges of the pandemic; however, the governor’s budget hedges against a possible revenue shortfall in the following year/s. The proposed budget will now be debated by the legislature and a final budget will be sent to the Governor for approval in June. Below is a summary of the governor’s proposed budget and its impact on Californians with intellectual and developmental disabilities and their families:

**Regional Center Services**

The proposed budget estimates regional center caseload growth to 368,753 clients and a total budget of $10.5 billion. Budget highlights include:

* Extends the provider supplemental rate increases to December 31, 2022, instead of the existing elimination date of December 31, 2021.
* Similarly, extends the suspension of the mandated 14 furlough days (aka Uniform Holiday Schedule) to December 31, 2022.
* Creates a new Community Navigator Program to partner with Family Resource Centers to increase access and outreach to underserved communities.
* Creates new Emergency Preparedness/Response Coordinators in each regional center.
* Expands the Systemic, Therapeutic, Assessment, Resources, and Treatment (START) Services.
* Greatly expands supports and resources for individuals with IDD that are involved with the criminal justice system.
* DOES NOT propose any investments to fund the $1.4 billion underfunding to regional center service as identified in the 2019 DDS Rate Study.

**Pandemic Response**

The Budget includes $211.7 million ($150.4 million General Fund) to address COVID-19 impacts on the developmental services system. Funding supports utilization increases for purchase of services above base funding levels and direct response expenditures for surge capacity at the Fairview and Porterville Developmental Centers and other operating costs in state-operated facilities.

**Family Resource Centers and Community Navigators**

The Budget includes $5.3 million ($3.2 million General Fund) for the Department of Developmental Services to contract with family resource centers to implement a navigator model statewide. The navigator model would utilize parents of individuals in the regional center system to provide education on resources, advocacy, and mentorship to other parents of individuals being served by the regional center system. The purpose of navigators is to increase service authorization and utilization in diverse communities, furthering health equity within the developmental services system. Funding includes resources for a one-time independent evaluation focused on improving the effectiveness of existing disparity projects.

**SSI/SSP**

The budget includes no increase for the State Supplemental Payment (SSP). Effective January 2021, the maximum SSI/SSP grant levels are $955 per month for individuals and $1,598 per month for couples. The projected growth in the Consumer Price Index is 2.2 percent for 2022. As a result, the maximum SSI/SSP monthly grant levels will increase by approximately $17 and $26 for individuals and couples, respectively, effective January 2021.

**IHSS**

The Budget includes $449.8 million General Fund in 2021-22 and $242.6 million General Fund in 2022-23 to reflect a delay in suspending the 7-percent across-the-board reduction to IHSS service hours. The increased funding for IHSS service hours is now proposed to be suspended on December 31, 2022. The suspension will be lifted if the Administration determines through the 2022 Budget Act process that there is sufficient General Fund revenue to support all suspended programs in the subsequent two fiscal years.

**Healthcare**

**Medi-Cal Adult Optional Benefits Extension**: The Budget includes $47 million
($15.6 million General Fund) in 2021-22 to delay by 12 months the suspension of audiology and speech therapy services, incontinence creams and washes, optician and optical lab services, and podiatric services to December 31, 2022.

**Telehealth Flexibilities in Medi-Cal:** The Budget includes $94.8 million ($34 million General Fund) ongoing to expand and make permanent certain telehealth flexibilities authorized during COVID-19 for Medi-Cal providers, and to add remote patient monitoring as a new covered benefit, effective July 1, 2021. This effort will expand access to preventative services and improve health outcomes, thereby increasing health equity.

**Prop 56 Programs:** Given an improved revenue outlook in the short term, the Budget delays the suspension of Proposition 56 programs by 12 months and includes a total of $3.2 billion
($275.3 million General Fund, $717.8 million Proposition 56 Fund, and $2.2 billion federal funds) for these programs in 2021-22. (The Budget would have otherwise included $759.9 million General Fund savings if the suspensions were not delayed.) The General Fund partially supports supplemental payment programs at current levels now that program costs exceed declining tobacco tax revenues, due primarily to the assumed implementation of the ban on flavored tobacco and vaping products pursuant to Chapter 34, Statutes of 2020 (SB 793). The Budget assumes Proposition 56 suspensions effective July 1, 2022, except for supplemental payments to intermediate care facilities for the developmentally disabled, freestanding pediatric subacute facilities, and Community Based Adult Services, which will be suspended December 31, 2022, due to the managed care calendar rate year.

**Special Education & Early Learning**

**In-Person Instruction Grants:** $2 billion (one-time Proposition 98 Fund) to augment resources for schools to offer in-person instruction safely. The funds aim to prioritize in-person instruction for students with barriers to distance learning, including students with disabilities, behavioral health issues, and early learners. Schools (except non-classroom based charter schools or independent study programs) can apply for grants on a per pupil basis.

**Expanded Learning Time and Academic Interventions Grants:** $4.6 billion (one-time funding Proposition 98 Fund) to address learning loss, to provide districts with time to design targeted interventions that focus on students from low-income families, English language learners, youth in foster care, and homeless youth, including extended school year, summer school, and learning hubs.

**Equity – Investment for Educators:** 100 million one-time Proposition 98 General Fund to expand the Teacher Residency Program, which supports clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need communities and subject areas, including special education, bilingual education, and STEM.

**Special Education:** $300 million ongoing Proposition 98 General Fund for the Special Education Early Intervention Grant to increase the availability of evidence-based services for infants, toddlers, and preschoolers.

$500,000 one-time Proposition 98 General Fund for a study to examine certification and oversight of non-public school special education placements.

Early Learning: $250 million one-time Proposition 98 General Fund, available over multiple years, to provide grants to local educational agencies that offer early access to TK, to help them cover up-front costs associated with expanding their TK programs.

$50 million one-time Proposition 98 General Fund to support the preparation of TK teachers and provide both TK and kindergarten teachers with training in providing instruction in inclusive classrooms, support for English language learners, social-emotional learning, trauma-informed practices, restorative practices, and mitigating implicit biases.

**Employment**

The Administration is collaborating with the Department of Developmental Services and Department of Rehabilitation to begin a new State Employment Initiative to employ more persons with disabilities in the state workforce. Currently, five departments are part of the pilot program to bring both awareness of state jobs and full-time employment to the disabled community.