

TRI-COUNTIES REGIONAL CENTER

EXECUTIVE DIRECTOR REPORT

February 4, 2011

I. FY 2010-2011 & FY 2011-2012 BUDGET UPDATE

- **Attachment #1:** CDCAN Report #011-2011 – Governor Brown Proposes Massive Cut to Developmental Services; Major Cuts to IHSS. . .
- **Attachment #2:** FY 2011-2012 Governor’s Budget Highlights for Department of Developmental Services
- **Attachment #3:** ARCA Analysis of FY 2011-2012 Governor’s Budget Proposal
- **Attachment #4:** ARCA FY 2011-2012 Governor’s Budget Proposal Position Statement
- **Attachment #5:** ARCA Guiding Principles for 2011
- **Attachment #6:** CDCAN Report #019-2011 – Assemblymember Beall Introduces Bill That Would Require Private Health Insurance To Pay For Critical Services For People With Autism Spectrum Disorders
- **Attachment #7:** CDCAN Report #20-2011 – Department of Developmental Services Outlines Process It Will Use To Identify Purchase of Services Standards Reductions
- **Attachment #8:** Trailer Bills Issued by the Department of Finance Pertaining to Regional Centers
- **Attachment #9:** CDCAN Report #025-2011 – Schedule of Legislative Budget Hearings
- **Attachment #10:** Budget Crisis Action Alert from TCRC

Governor Brown issued his official annual state budget proposal on January 10, 2011. The budget proposal attempts to address the continuing unprecedented budget crisis facing the state for the current FY 2010-2011 and the new budget year, FY 2011-2012 that begins on July 1, 2011. The state is facing a total projected budget shortfall of approximately \$25 billion by the end of the FY 2011-2012 budget year and ongoing projected budget deficits of over \$20 billion every year through at least 2016 unless permanent actions are taken regarding

TRI-COUNTIES REGIONAL CENTER EXECUTIVE DIRECTOR REPORT

February 4, 2011

revenues and spending by the Governor and the Legislature. The Governor is proposing \$12.5 billion in spending reductions and a 5 year extension of \$8 billion in temporary tax increases that are scheduled to expire this year unless voters agree to extend them in a yet to be scheduled June special election.

The Governor's plan calls for major reductions to numerous health and human services programs including Medi-Cal (\$1.7 billion), In-Home Supportive Services (additional 8.6% across the board reduction in service hours and requirement of doctor's certification for eligibility), Supplemental Security Income/State Supplemental Payment Program (Reduction of monthly benefit from \$845 to \$830), CalWORKS (\$1.5 billion), Healthy Families (Increase in premiums and co-payments and elimination of vision care benefit), and Mental Health Services (**Attachment #1**).

For developmental services, including regional centers, the Governor has proposed a total reduction of \$750 million effective July 1, 2011. This proposed reduction consists of continuing the existing 4.25% payment reduction to regional center operations and service provider rates, implementation of statewide service standards and implementation of transparency and accountability measures. The overall reduction also assumes a \$50 million infusion from Proposition 10 funds and another \$65 million from the Medicaid 1915(i) waiver. The Governor's proposal also includes building into the regional center budget a \$67.1 million increase to offset general fund reductions in other programs which will increase regional center purchase of service expenditures. (**Attachments #2-#6**).

Additionally, the Department of Developmental Services (DDS) just released an online survey as part of a process for public input to develop the statewide service standards proposed by the Governor. The on-line survey is anonymous, is available until February 15, 2011 at www.dds.ca.gov/survey, and covers eight topics:

1. Behavioral Services
2. Day Program, Supported Employment, and Work Activity Programs
3. Early Start
4. Health Care and Therapeutic Services
5. Independent Living and Supported Living Services
6. Residential Services
7. Respite and Other Family Supports
8. Transportation Services

The on-line survey is one piece of a larger process to solicit public input to develop statewide service standards that will be submitted to the Legislature sometime in May or June, 2011. DDS will also be forming several workgroups composed of stakeholders who would review the survey results and provide

TRI-COUNTIES REGIONAL CENTER

EXECUTIVE DIRECTOR REPORT

February 4, 2011

recommendations to DDS. After developing draft service standards, DDS plans on holding a series of public forums to receive input on the draft statewide service standards before the final document is submitted to the Legislature. The Legislature is expected to hold budget subcommittee hearings to review and receive public comment before taking final action (**Attachment #7**).

Several Trailer Bills were also just released by the Department of Finance pertaining to the regional center system. These Trailer Bills address issues pertaining to accountability and transparency such as regional center audits, conflict of interest, administrative costs, and caseload ratios. ARCA and the regional centers are in the process of analyzing the trailer bills and have not yet formulated any formal positions (**Attachment #8**).

Legislative hearings in Sacramento have already begun and will continue over the course of the next few weeks in order to consider the Governor's proposals in an attempt to reach a budget deal. TCRC is working with the Leadership Project to send TCRC area advocates to testify at the hearings (**Attachment #9**).

Tri-Counties Regional Center (TCRC) has also developed a "Budget Watch" page on the TCRC website (www.tri-counties.org). Current information and resources related to the budget is posted on this page including the recent budget alert that was sent out to the TCRC community calling all stakeholders to action in an attempt to advocate for the reduction of the proposed cuts to a more manageable amount (**Attachment #10**).

II. NEW TCRC WEBSITE

On December 31, 2010 TCRC released a major update to our Website, <http://www.tri-counties.org>. This is our 3rd revision (AKA v3.0) and incorporates many suggestions from our Town Hall meetings, Board Committees, Vendor Advisory Committee (VAC), Strategic Plan and Staff suggestions. V3.0 focuses on collaboration, utility, usefulness and relevance.

We have added these new web features that we think will add to our stakeholders' understanding of TCRC and the California Developmental Services system .

- **Translation** - You can now choose over 35 different languages to view our website. In the right column you will see the Language options that will allow you to pick a language for the entire site. There are over 35 translations available. We understand that translations are imperfect, however, we hope this new feature will help in some way for our non-English viewers.

TRI-COUNTIES REGIONAL CENTER

EXECUTIVE DIRECTOR REPORT

February 4, 2011

- **Service Provider Directory** - In the top horizontal menu on all pages there is now a feature to get information about the service organizations and individuals that work with TCRC. Searches are done alphabetically by provider name or you can further refine your inquiry by selecting other parameters such as city, county, service category or proximity to a city or zip code. Results are shown as a list and can also be located on a map.
- **Opt-In or Out Mailing Lists** - We will begin collecting names and email addresses of those people wishing to receive information directly from TCRC via eMail. Not only will this help us lower operating costs it will enable us to quickly "push" information out to those wishing to stay informed of developments and changes to our system.
- **Associated and Recent Articles** - All of our information is linked together in a multitude of ways, sometimes more obviously than others. In the main body (center section) you will begin seeing information at the bottom that is associated with the main body area of your window. These associations are dynamic (ever changing) based on feedback and viewer behavior on our site. As we collect more information on how people use the site these associations will improve.
- **Comment and Rate our Articles** - Our information is only as good as the viewers perceive it to be. We will begin using a ranking and comment tool to allow viewers to give us the feedback we need to transform information into knowledge. Our on-going commitment to refine and develop this website will be enhanced with feedback from our viewers.
- **Our Editorial Staff has grown** - We have developed new methods at TCRC to allow more of our staff to participate in the creation and maintenance of the information we publish. We now have over 14 people working to develop and or refine the information we have on this site. From our Service Coordination Department to Human Resources we are dedicated to providing you with as up to date and accurate information we can.

This is simply the beginning. Our commitment to delivering a level of understanding and knowledge is now enhanced by a new web server platform (using no cost or low cost open source software) that allows us to quickly and effectively deliver Web 2.0 tools. If you have any comments or suggestions please contact our CIO, Dominic Namnath at dnamnath@tri-counties.org or use our comment suggestion form on the website.

III. Q&A

Omar Noorzad - Re: CDCAN REPORT #011-2011: HUGE CUTS PROPOSED FOR DEVELOPMENTAL SERVICES; MAJOR CUTS TO IHSS INCLUDING INCREASING ACROSS THE BOARD CUT IN IHSS HOURS BY ANOTHER 8.4% & REQUIRING DOCTORS CERTIFICATION FOR ELIGIBILITY

From: "Marty Omoto" <martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 1/10/2011 12:11 PM
Subject: Re: CDCAN REPORT #011-2011: HUGE CUTS PROPOSED FOR DEVELOPMENTAL SERVICES; MAJOR CUTS TO IHSS INCLUDING INCREASING ACROSS THE BOARD CUT IN IHSS HOURS BY ANOTHER 8.4% & REQUIRING DOCTORS CERTIFICATION FOR ELIGIBILITY

CDCAN DISABILITY RIGHTS REPORT



#011-2011 – JANUARY 10, 2011 MONDAY

CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK: *Advocacy Without Borders: One Community – Accountability With Action - California Disability Community Action Network*
Disability Rights News goes out to over 55,000 people with disabilities, mental health needs, seniors, traumatic brain & other injuries, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino,

African American a

To reply to this report write: MARTY OMOTO at martyomoto@rcip.com
WEBSITE: www.cdcan.us TWITTER: www.twitter.com - "MartyOmoto"

REMEMBERING THE LIFE OF TOMMY YERBY OF MORGAN HILL

California State Budget Crisis:

GOVERNOR BROWN PROPOSES MASSIVE CUT TO DEVELOPMENTAL SERVICES; MAJOR CUTS TO IHSS INCLUDING ADDITIONAL 8.6% ACROSS BOARD CUT IN SERVICE HOURS; REQUIREMENT OF DOCTOR'S CERTIFICATION FOR ELIGIBILITY

Proposes Reducing SSI/SSP Individual Grant To Lowest Level Allowed by Federal Government - Proposed Cuts Will Have Major Impact On Children & Adults with Disabilities (including Developmental), mental health needs, the blind, seniors, their families, low income workers, community organizations, facilities and workers who provide supports & services across State

SACRAMENTO, CALIF (CDCAN) [Updated 01/10/2011 11:40 AM (Pacific Time)] - Governor Jerry Brown, released his proposed 2011-2012 spending plan, is calling for massive permanent reductions to a wide range of state funded programs, including regional centers, In-Home Supportive Services, CalWORKs, Medi-Cal, SSI/SSP, mental health and more.

The Governor proposed this morning over \$12.5 billion in spending cuts including over \$750 million in cuts to developmental services (regional centers and developmental centers), \$1.5 billion cuts to CalWORKS, the state's "welfare to work" program that includes many parents and children with special needs, \$1.7 billion in reductions to Medi-Cal. Most of these spending cuts would take effect July 1, 2011.

In a press statement issued this morning, Governor Brown said that the spending cuts

"...will be painful, requiring sacrifice from every sector of the state, but we have no choice. For 10 years, we've had budget gimmicks and tricks that pushed us deep into debt. We must now return California to fiscal responsibility and get our state on the road to economic recovery and job growth."

All of the Governor's proposals require approval of the Legislature.

Huge Cuts Proposed for Regional Centers

The cuts to developmental services – including regional centers - total \$750 million state general fund spending, to be effective July 1, 2011, including permanent continuation of the 4.25% payment reduction to regional center operations and providers,

IHSS Hit Hard By Cuts

In-Home Supportive Services (IHSS) was particularly hard hit, with a permanent continuation proposed of the existing 3.6% across the board cut in service hours for all IHSS recipients – and an additional 8.4% cut on top of that (effective July 1, 2011) for a total of 12% cut. In addition as a requirement for eligibility, a doctor's certification would be required for all persons currently in IHSS or who are applying for services as a condition of eligibility.

The Governor also proposes to eliminate domestic and related services for children under age of 18 years who live at home and eliminate domestic and related services for adults who reside in "shared living arrangements" (with a relative, friend or other person). The state would allow exceptions to this if the roommate certifies that they cannot provide the domestic or related services or if the shared living arrangement with the other person does not allow for domestic and related services to be shared.

The Governor also proposes eliminating all state funding for all of the IHSS Advisory Committees.

Governor Proposes Extension of Temporary Tax Increases

He is also proposing placing on a special election ballot in June for voter approval the extension of over \$8 billion in temporary tax increases set to expire this year that were enacted in February 2009 as part of the 2009-2010 State Budget passed four months early.

SUMMARY OF PROPOSALS IMPACTING PEOPLE WITH DISABILITIES, MENTAL HEALTH NEEDS, THE BLIND, SENIORS & FAMILIES

Here are some of the proposed reductions (CDCAN will issue within the hour details on these proposed reductions and other proposals in the Governor's budget plan). CDCAN will issue a separate report with details on the cuts to Medi-Cal and education.

SSI/SSP (Supplemental Security Income/State Supplemental Payment) & Cash Assistance Program for Immigrants (CAPI)

WHAT THE GOVERNOR IS PROPOSING: Reduce state portion of the maximum SSI/SSP individual grants to the lowest level allowed by the federal government (\$845 to \$830. The Governor's proposal impacts the Cash Assistance Program for Immigrants (CAPI) – the program that provides SSI/SSP level grants to legal immigrants with disabilities, the blind and low income seniors who do not qualify for the SSI grants.

CDCAN NOTE:

The federal government portion would remain at \$674, while the state portion would be reduced from the current \$171 to \$156 for a total of \$830 per month). The Legislature in 2009, already reduced the state portion of the SSI/SSP grants to couples to the lowest level permitted by the federal government (\$1,407 per month or \$396 for the SSP or state portion and \$1,011 for the SSI or federal portion of the grant) Also in 2009 the Legislature approved the Governor's proposal to permanently eliminate the state cost of living (COLA) for the SSP (including CAPI) part of the grants for individuals and couples (after suspending the increase for several years)

There has been no cost of living increase for the federal SSI part for January 2010 or for January 2011.

because economic measurements the federal government uses did not require it.

DEVELOPMENTAL SERVICES (regional centers and developmental centers)

WHAT THE GOVERNOR IS PROPOSING:

- \$750 million (state general fund) reduction in spending for developmental services under the Department of Developmental Services. Part of that reduction will come from reducing funding for growth. The Brown Administration in proposing this cut would maintain the Lanterman Act entitlement and include additional federal funding (to off set State general fund spending) for Porterville. It would assume continuation – likely permanent of the existing 4.25% payment reduction to both regional center operations and providers; assumes \$50 million from Proposition 10 money and another \$65 million from the Medicaid 1915(i) waiver. The overall reduction includes – with no dollar amount attached yet – for accountability and transparency measures; and also imposing statewide service standards. Some of these issues will be discussed in a stakeholder process still to be determined.
- With exception of some minor adjustments to the current year budget, all the proposed reductions totaling \$750 million in state general funds would occur after July 1, 2011 during the 2011-2012 State budget year.
- Continue the closure and transition process for Lanterman Developmental Center in Pomona as proposed by Governor Schwarzenegger and approved by the Legislature last year

CDCAN NOTE:

Over 240,000 infants, children and adults with developmental disabilities are served through community-based services coordinated by the 21 non-profit regional centers and overseen by the Department of Developmental Services. The department also operates 4 developmental centers and one smaller facility where about 2,000 people with developmental disabilities reside. The Governor proposed and the Legislature approved in February 2009 and July 2009 reductions to developmental services – including the State’s early intervention program (called “Early Start”) of over \$500 million (including lost federal matching funds).

IN-HOME SUPPORTIVE SERVICES (IHSS)

WHAT THE GOVERNOR IS PROPOSING:

- Continue implementation of the IHSS provider tax (that would be matched by federal funds – the provider would not actually pay any tax or fee) for a State general fund savings of \$131 million during the 2011-2012 State budget year
- Permanent continuation of the 3.6% across the board reduction in hours for all IHSS recipients (the current budget would have those reductions end on June 30, 2012) which goes into effect February 1, 2011 for a reduction in state general funds of \$65.4 million
- An additional 8.4% across the board cut reduction in hours (on top of the 3.6%) for all IHSS recipients, effective July 1, 2011 for a reduction to IHSS of \$127.5 million state general funds. This reduction will include an appeals process that will allow for waiving this cut for persons at risk.
- Elimination of State general fund spending for all IHSS Advisory Committees for a reduction of \$1.6 million (effective July 1, 2011)
- Narrow eligibility for IHSS by requiring all new persons applying for IHSS and reassessments of all persons currently receiving IHSS, a certification by a physician that the person is “at risk” of institutionalization, effective July 1, 2011. Persons who do not receive this certification from a doctor would lose eligibility for IHSS>
- Eliminate for persons under the age of 18 living at home and receiving IHSS, all domestic and related services (impacting about 7,200 persons) for a reduction of \$1.6 million, effective July 1, 2011. Does not include protective supervision.
- Eliminates for adults domestic and related services who live in “shared living arrangements” with a family member or other adults and relatives, effective July 1, 2011 for a reduction of \$235 million.

There would be an exception to this for persons who can document that their domestic and related services needs could not be met “in common” or that the roommate certifies that they cannot provide those services (for example, if the roommate is another person with disabilities).

- Would propose “realignment” of IHSS by eliminating the county’s required share of funding, making IHSS a state and federal funded program only, effective July 1, 2011 (realignment would also include shifting adult protective services to the counties)

CDCAN NOTE:

Over 436,000 children and adults with disabilities (including developmental), mental health needs, the blind and low income seniors are recipients (as of September 2010) of IHSS.

The Governor’s budget plan includes continuing appeals in federal court to overturn lower court decisions that blocked the State from implementing 2009 cuts to IHSS (reduction of the state participation for IHSS worker wages and reduction or elimination of IHSS services for persons, based on their functional index ranking and functional index ranking (internal assessment tools used by county social workers to determine level of IHSS services)

The 2010-2011 State Budget approved in October 2010 (four months late) assumes a July 1, 2012 effective date for those two reductions unless a court ruling prevents it.

CALWORKS (California Work Opportunity and Responsibility To Kid)

WHAT THE GOVERNOR IS PROPOSING

- Cut maximum grants levels by 13% (effective July 1, 2011).
- Narrow eligibility for persons to qualify for program grants by imposing, retroactively, a 48 time limit.
- Repeal entirely the “long term reforms” under the Schwarzenegger Administration
- Total state general fund reduction (including shifting of funds) is about \$1.5 billion

CDCAN NOTE:

- *CalWORKS is the state’s “welfare to work” program that had, as of September 2010, over 576,000 families in the program (and over 1,101,000 children). Many are parents or children with special needs and disabilities.*
- *Several of the proposals by Governor Brown are the same or similar to what Governor Schwarzenegger previously proposed.*

FOSTER CARE PROGRAM

WHAT THE GOVERNOR IS PROPOSING:

An unallocated reduction of about \$19 million to the foster care program

CHILDREN’S PROGRAM (PROPOSITION 10)

WHAT THE GOVERNOR IS PROPOSING:

Proposes to change Proposition 10 (Children and Families First) approved by voters to allow the funding generated by tobacco taxes for State general fund spending.

CDCAN NOTE:

- *This proposal would have to be placed on the June special election ballot for voter approval.*
- *Governor Schwarzenegger and the Legislature previously – in May 2009 – attempted to suspend Proposition 10 and temporarily shift funding to the State general fund – but that proposal (like the proposal for Proposition 63) was rejected by a large margin by voters.*

HEALTHY FAMILIES

WHAT THE GOVERNOR IS PROPOSING:

Increase premiums and co-payments

Eliminate vision care in the program

CDCAN NOTE:

- *This program is matched by funding from the federal State Children's Health Insurance Program (SCHIP) and serves thousands of children from low income families who do not qualify for Medi-Cal.*
- *The proposals by Governor Brown are basically the same as previous proposals by Governor Schwarzenegger. No other details yet.*

VERY URGENT!!!!

PLEASE HELP CDCAN CONTINUE ITS WORK!!!

JANUARY 10, 2011 – YOUR HELP IS NEEDED



CDCAN Townhall Telemeetings, reports and alerts and other activities cannot continue without your help. To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 55,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues.

Please send your contribution/donation (make payable to "CDCAN" or "California Disability Community Action Network):

CDCAN

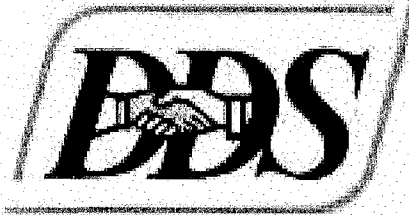
1225 8th Street Suite 480 - Sacramento, CA 95814

paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO CALIFORNIA ASSOCIATION OF ADULT DAY HEALTH CENTERS, VENTURA COUNTY AUTISM SOCIETY, RESPITE, INC., LOS ANGELES RESIDENTIAL COMMUNITY SERVING DEVELOPMENTALLY DISABLED ADULTS LARC RANCH, FEAT OF SACRAMENTO, EASTER SEALS OF SOUTHERN CALIFORNIA, EMMANUEL AND FAMILY, MICHAEL DIMMITT, PEOPLE FIRST OF SAN LUIS OBISPO, BOB BENSON, the Pacific Homecare Services, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), Sacramento Gray Panthers, Bill Wong, Tri-Counties Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Training Toward Self Reliance, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.

Department of Developmental Services

2011-12 Budget Highlights



**Edmund G. Brown Jr.
Governor
State of California**

**Diana S. Dooley
Secretary
California Health and Human Services Agency**

**Terri Delgadillo
Director
Department of Developmental Services**

January 2011

DEPARTMENT OF DEVELOPMENTAL SERVICES 2011-12 BUDGET HIGHLIGHTS

PROGRAM HIGHLIGHTS

The Department of Developmental Services (the Department) is responsible under the Lanterman Developmental Disabilities Services Act (Lanterman Act) for ensuring that more than 246,000 persons with developmental disabilities receive the services and support they require to lead more independent and productive lives and to make choices and decisions about their lives. Proposed system-wide funding for 2011-12 is \$4.5 billion (\$2.4 billion General Fund).

California provides services and supports to individuals with developmental disabilities in two ways: the vast majority of people live in their families' homes or other community settings and receive state-funded services that are coordinated by one of 21 non-profit corporations known as regional centers. A small number of individuals live in four state-operated developmental centers and one state-operated community facility. The number of consumers with developmental disabilities in the community served by regional centers is expected to grow in fiscal year 2011-12 to 251,702. The number of consumers living in state-operated residential facilities will decrease by the end of fiscal year 2011-12 to 1,691.

During the development of the 2009-10 and 2010-11 Governor's Budgets, the Department with input from a workgroup comprised of regional centers, service provider representatives, advocacy groups, consumers and family members, and legislative staff developed proposals to reduce or restrict General Fund growth in the Department's budget. In 2009-10, the Department developed proposals that resulted in approximately \$334 million in General Fund savings and an additional \$200 million in 2010-11. Savings proposals impacted both the developmental center and regional center budgets, and included a variety of strategies such as restructuring, reducing or suspending various services, restricting eligibility for certain services, and maximizing other available funding sources, primarily federal funds. In addition to these proposals, payments for community services were reduced by 3 percent in 2009-10 and 4.25 percent in 2010-11.

The Department's budget was expected to grow in 2011-12 by \$289.9 million compared to the enacted budget due to increased caseload; utilization and the expiration of the 4.25 percent payment reduction. In addition, the General Fund need was increasing by \$195.6 million due to the end of the federal stimulus funding. Given the continued pressure on the General Fund, the Governor's Budget proposes to reduce from the projected budget \$750 million in General Fund system wide through additional federal revenues, increased accountability, further expenditure reductions and cost containment measures, with the intent of maintaining the Lanterman entitlement to community-based services for individuals to avoid more costly institutionalization. The Department remains committed to the preservation of services and supports and the continued implementation of the individualized planning process mandated in the Lanterman Act and the Early Intervention Services Act as the state bridges this fiscal crisis.

The Department will pursue system-wide proposals to achieve the \$750 million General Fund savings contained in the Governor's Budget for 2011-12, including but not limited to:

- Pursuing additional federal funds for treatment services provided to individuals residing in the secure facility at Porterville Developmental Center. It is anticipated that this will result in General Fund savings of \$10 million in 2011-12. The Department will also consider other proposals to achieve General Fund savings.
- Continuation of the temporary regional center and service provider payment reductions. The 2010-11 budget contains a 4.25 percent reduction to regional centers and service provider payments. These payment reductions are scheduled to sunset on June 30, 2011. The Governor's Budget proposes to extend both payment reductions for another year resulting in General Fund savings of \$91.5 million in 2011-12.
- Continued Proposition 10 funding. The regional center budget includes \$50 million in reimbursement funding in 2010-11 from the California Children and Families Commission (Proposition 10). These funds are used to provide services to consumers from birth to age five. The Governor's Budget proposes to continue this funding in 2011-12, resulting in a General Fund savings of \$50 million.
- Increased federal funds for community services. The Department has been successful in maximizing available federal funds associated with the Medicaid Home and Community-Based Services Waiver, and recouping federal funding for certain services provided through Intermediate Care Facilities for the developmentally disabled. This proposal would focus on increasing federal funding by: (1) expanding the pending federal 1915(i) State Plan Amendment to include additional consumers and related expenditures consistent with recent federal healthcare reforms, (2) maximizing use of federal "Money Follows the Person" funding for individuals placed out of institutions and (3) pursuing other enhanced federal funding opportunities. This proposal would at a minimum save \$65 million General Fund in 2011-12.
- Increased accountability and transparency. This proposal would set parameters on the use of state funds for administrative expenditures of regional centers and service providers; increase auditing requirements; increase disclosure requirements; and maximize recoveries from other responsible parties.
- Implementation of statewide service standards. This proposal would establish statewide service standards that set parameters and promote consistency in the array of services available through the regional centers. The Department, with input from stakeholders, will develop standards for regional centers to use when purchasing services for consumers and families. In developing these standards, the Department will consider eligibility for the

service, duration, frequency and efficacy of the service, service provider qualifications and performance, rates, parental and consumer responsibilities, and self-directed services options. The Department will also consider the impact of the standards, coupled with prior reductions in the service area, on consumers, families and providers. The Department will ensure that changes are made consistent with the Lanterman Act and Government Code (Early Start program) and specify notification requirements. Standards may vary by service category. It is anticipated the implementation of additional service standards will result in significant General Fund savings.

COMMUNITY SERVICES PROGRAM

2010-11 Updates

To provide services and support to 244,108 persons with developmental disabilities in the community, the Governor's Budget updates 2010-11 funding to \$4.1 billion total funds (\$2.2 billion General Fund). The Governor's Budget includes an increase of \$0.1 million total funds (decrease of \$169 million General Fund) for regional center operations and purchase of services (POS). This is composed of:

Caseload and Utilization

- \$12.4 million increase in POS costs primarily due to updated caseload and expenditure data.
- \$18.1 million decrease in Prevention Program costs due to updated caseload data.
- \$0.5 million decrease due to the delayed implementation of the Self Directed Services program.
- \$0.5 million increase in Quality Assurance Fees due to technical adjustments.
- \$2.6 million increase in regional center operations costs primarily due to increases in Home and Community-Based Services (HCBS) Waiver enrollments that result in more of the community caseload at the 1:62 case manager ratio.

Federal Stimulus Funds

- An increase of \$100.9 million in reimbursements and corresponding decrease in General Fund due to additional federal stimulus funding carried in a state-wide budget item in the enacted budget that is now reflected in the Department's budget.

Homeland Security Grant

- \$0.2 million increase to reflect the implementation of a State Homeland Security Grant award that will fund projects to regional centers to prevent, protect against, respond to and recover from acts of terrorism and other catastrophic events.

Impacts from Other Departments

- \$3.0 million increase to reflect the impact of service reduction proposals in Medi-Cal and Supplemental Security Income/State Supplementary Payment (SSI/SSP) programs that are included in the Governor's Budget and increase regional centers POS costs in 2010-11. These programs are considered generic resources, with regional centers being the payor of last resort when services are not available from a generic resource. The service reductions include:
 - \$0.4 million increase to reflect the reduction of the maximum monthly State Supplementary Payment grant to aged/disabled individuals to the Maintenance of Effort (MOE) floor effective June 1, 2011; and
 - \$2.6 million increase to reflect the elimination of Adult Day Health Care (ADHC) services, effective June 1, 2011.

2011-12

For 2011-12, the budget projects the total community caseload at 251,702, an increase of 7,594 consumers over the revised 2010-11 caseload. The budget proposes 2011-12 funding for services and support to persons with developmental disabilities in the community at \$3.8 billion total funds (\$2.0 billion General Fund), a decrease of \$329.3 million (\$322.2 million General Fund) over the enacted 2010-11 budget; or compared to the updated 2010-11 budget, a decrease of \$329.5 million (\$153.1 million General Fund). This is composed of:

Caseload and Utilization

- \$149.7 million increase in POS and Prevention Program due to increased caseload and utilization.
- \$0.5 million decrease due to the delayed implementation of the Self-Directed Services program.
- \$13.0 million increase in regional center operations costs primarily due to caseload increases and additional HCBS waiver enrollments.

Federal Stimulus Funds

- An increase of \$134.1 million in General Fund and corresponding decrease in reimbursements due to the end of federal stimulus funding. The federal government assumed a greater share of program costs during the stimulus period of October 2008 through June 2011.

Continuation of Temporary 4.25 Percent Regional Center and Provider Payment Reduction

- The Governor's Budget proposes continuation of the 4.25 percent payment reduction in 2011-12. The reduction impacts both regional center operations and POS for a total decrease of \$165.5 million (\$91.5 million General Fund).

There is an incremental decrease from 2010-11 of \$2.8 million due to the reduced total funding level in 2011-12.

Proposition 10 Funding

- The Governor's Budget proposes to continue reimbursement funding from the California Children and Families Commission (Proposition 10) in 2011-12, resulting in a General Fund savings of \$50 million. These funds are used to provide services to consumers from birth to age five.

Quality Assurance Fees

- \$27.2 million decrease in 2011-12, as the 2010-11 budget included costs associated with retroactive processing of claims for 2007-08 through 2010-11 (four years) that is not required in the budget year. These costs related to increasing FFP for day treatment and transportation costs for residents of Intermediate Care Facilities for individuals with developmental disabilities (ICF-DD). The 2011-12 budget retains \$9.5 million for budget year claims.

New Major Assumption, Financial Management Services (FMS) for Participant-Directed Services

- \$1.7 million increase to establish FMS as an option for vouchered respite, transportation, and day care services consistent with federal requirements to renew the HCBS waiver.

Impacts from Other Departments

- \$70.1 million increase to reflect the impact of service reductions proposals in Medi-Cal and SSI/SSP programs that will increase regional centers POS costs in 2011-12. The service reductions include:
 - \$5.0 million increase to reflect the reduction of the maximum monthly State Supplementary Payment grant to aged/disabled individuals to MOE floor, effective June 1, 2011;
 - \$32.1 million increase to reflect the elimination of ADHC services, effective June 1, 2011; and
 - \$33.0 million increase to reflect costs associated with Medi-Cal reductions due to the addition of co-payments and service limits effective October 1, 2011.

Increased Accountability and Transparency and System-wide Cost Containment Measures

- The Governor's Budget proposes increased accountability and transparency and system-wide cost containment measures to generate significant General Fund savings necessary to achieve the balance of overall required reduction of \$750 million. The proposal would set parameters on the use of state funds for administrative expenditures of regional centers and service providers;

increase auditing requirements; increase disclosure requirements; and maximize recoveries from other responsible parties. In addition, the proposals would establish statewide service standards that set parameters and promote consistency in the array of services available through the regional centers. These proposals will be adjusted in the May Revision to reflect savings in the Department's headquarters, developmental center, regional center operations or purchase of service budgets consistent with the Department's proposals.

DEVELOPMENTAL CENTERS PROGRAM

2010-11 Update

To provide services and support for persons with developmental disabilities that live in four state-operated developmental centers and one state-operated community facility the budget updates 2010-11 funding to \$607.6 million (\$282.8 million General Fund), a decrease of \$38.5 million total funds (\$32.1 million General Fund) from the Budget Act of 2010. The decrease reflects a variety of adjustments including salary reductions consistent with Executive Order S-01-10 to lower state staffing costs (a.k.a. Workforce Cap Plan) and statewide employee compensation adjustments from changes to collective bargaining agreements, including the elimination of the state furlough program accompanied by salary reductions and other leave and benefit contribution changes. Developmental Centers authorized positions are updated from 6,237.6 to 6,210.6, a reduction of 27 positions from the Budget Act.

Developmental Center Population Adjustments

The Governor's Budget does not change the Budget Act's assumption of consumers residing in a Developmental Center or Community Facility of 1,979.

2011-12

The Governor's Budget proposes 2011-12 funding for services and supports to persons with developmental disabilities that live in four state-operated developmental centers and one state-operated community facility at \$618.1 million (\$324.0 million General Fund), a decrease of \$28.0 million total funds (\$9.1 million General Fund increase) over the Budget Act of 2010; or compared to the updated 2010-11 budget, an increase of \$10.6 million (\$41.2 million General Fund). The changes primarily include an increase in General Fund and corresponding decrease in reimbursements due to the end of federal stimulus funding (\$27 million); staffing adjustments for decreased resident population; salary reductions consistent with Executive Order S-01-10 to lower state staffing costs and statewide employee compensation adjustments from changes to collective bargaining agreements, including the elimination of the state furlough program accompanied by salary reductions and other leave and benefit contribution changes. Some savings associated with collective bargaining are not included in the Department's budget, but rather reflected in a statewide budget item, giving the misleading appearance of a cost increase. Total authorized positions decline from 6,237.6 to 5,922.0, a reduction of 315.6 positions from the Budget Act.

Cost Containment Measure - Additional Federal Funds

- As part of the \$750 million savings proposal, the Department will pursue additional federal funds for treatment services provided to individuals residing in the secure facility at Porterville Developmental Center. It is anticipated this will result in General Fund savings of \$10 million in 2011-12. The Department will also consider other proposals to achieve General Fund savings.

Developmental Center Population Adjustments

Considering the timing of consumer placements, an average annual population is used to develop the budget estimate. The budget reflects an average population reduction of 196 consumers (from 1,979 to 1,783). The number of consumers living in state-operated residential facilities will decrease by the end of fiscal year 2011-12 to 1,691.

HEADQUARTERS

2010-11 Update

In support of the Community Services and Developmental Center Programs, the budget updates the 2010-11 funding for headquarters operations to \$35.8 million (\$22.8 million General Fund), a decrease of \$2.4 million (\$1.6 million General Fund) compared to the Budget Act of 2010, primarily due to salary reductions consistent with Executive Order S-01-10 to lower state staffing costs and statewide employee compensation adjustments from changes to collective bargaining agreements, including the elimination of the state furlough program accompanied by salary reductions and other leave and benefit contribution changes.

2011-12

The Governor's Budget provides funding for 2011-12 headquarters operations of \$38.6 million (\$24.6 million General Fund), an increase of \$0.4 million (\$0.2 million General Fund) compared to the Budget Act of 2010, primarily due to statewide employee compensation adjustments from changes to collective bargaining agreements, including the elimination of the state furlough program accompanied by salary reductions and other leave and benefit contribution changes. Some savings associated with collective bargaining are not included in the Department's budget, but rather reflected in a statewide budget item, giving the misleading appearance of a cost increase.

CLOSURE OF LANTERMAN DEVELOPMENTAL CENTER

As part of the Governor's Budget, the Department has provided a comprehensive update on the closure activities at Lanterman Developmental Center (LDC). The Department is now proceeding with implementation activities consistent with the Closure Plan presented on April 1, 2010. The initiation of most activities was delayed until October 2010, after enactment of the Budget Act of 2010 and the associated trailer bill.

DEVELOPMENTAL CENTERS CAPITAL OUTLAY

(Funding not included in the Budget Highlights totals)

Developmental Centers

Federal mandates require automatic fire sprinkler systems for Acute Care hospitals and Nursing Facilities by August 2013 (Federal Rule 42, Code of Federal Regulations 483.70). The capital outlay budget includes \$2.0 million General Fund to design and install automatic fire sprinklers in 13 buildings that house Nursing Facility and General Acute Care consumers at the Fairview, Porterville and Sonoma Developmental Centers. The project also includes necessary associated work, such as asbestos removal, electrical and plumbing renovations, and minor construction as necessary to meet code requirements to accommodate the automatic fire sprinkler system installations. The proposal funds the preparation of preliminary plans and working drawings for the project.

Fairview Developmental Center

The Governor's Budget includes reappropriation of funding for an addressable fire alarm system, already approved by the Legislature, in consumer utilized buildings at Fairview Developmental Center. This project continues to be a critical safety improvement, licensing and code compliance need for Fairview's consumers, staff, and visitors. The capital outlay budget has already funded the preliminary plans and drawings for this project. The 2011-12 capital outlay budget includes \$8.6 million General Fund for the construction phase to complete the project.

Sonoma Developmental Center

The Governor's Budget includes funding for the construction phase for a new piping system, already approved by the Legislature, to supply additional oxygen, medical air and suction, and a new oxygen storage tank at the Johnson/Ordahl building at Sonoma Developmental Center. The project was delayed as part of the \$334 million General Fund savings in 2009-10, but remains a critical health and safety need for Sonoma's medically fragile consumers and for the staff. The 2011-12 capital outlay budget includes \$2.7 million General Fund to complete the project.

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2011-12 NOVEMBER ESTIMATE**

FUNDING SUMMARY

(Dollars in Thousands)

	2010-11	2011-12	Difference
BUDGET SUMMARY			
COMMUNITY SERVICES	\$4,126,757	\$3,797,294	-\$329,463
DEVELOPMENTAL CENTERS	607,565	618,127	10,562
HEADQUARTERS SUPPORT	35,796	38,607	2,811
TOTALS, ALL PROGRAMS	\$4,770,118	\$4,454,028	-\$316,090
FUND SOURCES			
General Fund	\$2,505,611	\$2,395,521	-\$110,090
Reimbursements: Totals All	2,204,480	1,998,494	-205,986
<i>Home & Community Based Serv. (HCBS) Waiver</i>	1,180,472	1,012,350	-168,122
<i>HCBS Waiver Administration</i>	8,690	9,101	411
<i>Medicaid Administration</i>	13,412	13,676	264
<i>Targeted Case Management</i>	163,397	131,204	-32,193
<i>Targeted Case Management Administration</i>	3,659	3,693	34
<i>Targeted Case Management SPA, ICF-DD</i>	6,421	5,377	-1,044
<i>Medi-Cal</i>	304,943	272,346	-32,597
<i>Title XX Social Services Block Grant</i>	225,060	225,060	0
<i>Self-Directed HCBS Waiver</i>	346	384	38
<i>Self-Directed HCBS Waiver Administration</i>	431	431	0
<i>ICF-DD/State Plan Amendment</i>	62,295	52,780	-9,515
<i>Quality Assurance Fees (DHCS)</i>	34,565	8,727	-25,838
<i>Vocational Rehabilitation</i>	118	118	0
<i>Counties Children & Families Account</i>	50,000	50,000	0
<i>1915(i) State Plan Amendment</i>	120,383	160,807	40,424
<i>Impacts from Other Departments FFP</i>	1,550	16,037	14,487
<i>Money Follows the Person</i>	3,537	8,537	5,000
<i>Homeland Security Grant</i>	0	210	210
<i>All Other</i>	25,201	27,656	2,455
Federal Trust Fund	54,793	54,782	-11
Lottery Education Fund	372	372	0
Program Development Fund (PDF)	3,579	3,576	-3
Mental Health Services Fund	1,133	1,133	0
Developmental Disabilities Svs Acct	150	150	0
AVERAGE CASELOAD			
Developmental Centers	1,979	1,783	-196
Regional Centers	244,108	251,702	7,594
AUTHORIZED POSITIONS			
Developmental Centers	6,210.6	5,922.0	-288.6
Headquarters	380.5	380.5	0.0

**DEPARTMENT OF DEVELOPMENTAL SERVICES
2011-12 NOVEMBER ESTIMATE**

(Dollars in Thousands)

	2010-11	2011-12	Difference
Community Services Program			
Regional Centers	<u>\$4,126,757</u>	<u>\$3,797,294</u>	<u>-\$329,463</u>
Totals, Community Services	\$4,126,757	\$3,797,294	-\$329,463
General Fund	\$2,200,022	\$2,046,895	-\$153,127
Dev Disabilities PDF	3,292	3,296	4
Developmental Disabilities Svs Acct	150	150	0
Federal Trust Fund	51,898	51,898	0
Reimbursements	1,870,655	1,694,315	-176,340
Mental Health Services Fund	740	740	0
Developmental Centers Program			
Personal Services	\$480,001	\$490,609	\$10,608
Operating Expense & Equipment	<u>127,564</u>	<u>127,518</u>	<u>-46</u>
Total, Developmental Centers	\$607,565	\$618,127	\$10,562 *
General Fund	\$282,785	\$323,992	\$41,207
Federal Trust Fund	529	530	1
Lottery Education Fund	372	372	0
Reimbursements	323,879	293,233	-30,646
Headquarters Support			
Personal Services	\$30,541	\$33,335	\$2,794
Operating Expense & Equipment	<u>5,255</u>	<u>5,272</u>	<u>17</u>
Total, Headquarters Support	\$35,796	\$38,607	\$2,811 *
General Fund	\$22,804	\$24,634	\$1,830
Federal Trust Fund	2,366	2,354	-12
PDF	287	280	-7
Reimbursements	9,946	10,946	1,000
Mental Health Services Fund	393	393	0
Totals, All Programs	\$4,770,118	\$4,454,028	-\$316,090
Total Funding			
General Fund	\$2,505,611	\$2,395,521	-\$110,090
Federal Trust Fund	54,793	54,782	-11
Lottery Education Fund	372	372	0
Dev Disabilities PDF	3,579	3,576	-3
Developmental Disabilities Svs Acct	150	150	0
Reimbursements	2,204,480	1,998,494	-205,986
Mental Health Services Fund	1,133	1,133	0
Caseloads			
Developmental Centers	1,979	1,783	-196
Regional Centers	244,108	251,702	7,594
Authorized Positions			
Developmental Centers	6,210.6	5,922.0	-288.6
Headquarters	380.5	380.5	0.0

* Compared to the Budget Act, the Developmental Centers budget is reduced by \$27,964,000 and the Headquarters budget increased by \$380,000.

**ASSOCIATION OF REGIONAL CENTER AGENCIES
ANALYSIS OF THE FY 2011-12 NOVEMBER ESTIMATE
(GOVERNOR'S BUDGET)
JANUARY 10, 2011**

SPECIAL NOTE

The 3.0% payment reductions in Operations and Purchase of Services instituted in February, 2008, carried through into FY 2009-10, and increased to 4.25% in FY 2010-11, will continue in Budget Year 2011-12 at 4.25%.

FY 2010-11 (Current Year)

1. CASELOAD

The FY 2010-11 May Revision estimated the regional center Community Caseload to be 243,704 consumers for January 31, 2011. The November Estimate increases the January 31, 2011 caseload to 244,108, which includes 3,525 Prevention Program consumers.

2. OPERATIONS - \$2.4 Million Increase

- \$2.3 million increase due primarily to an increase in HCBS enrollments that result in more consumers at the 1:62 case manager ratio.
- \$0.2 million increase to implement a State Homeland Security Grant
- \$0.1 million decrease to the Quality Assessment Contract

3. PURCHASE OF SERVICE - \$12.4 million Increase

The \$12.4 million increase to Purchase of Services in the current fiscal year is due to updated caseload and expenditure data.

FY 2011-12 (Budget Year)

Overall, the budget for FY 2011-12 is \$329.5 million (8%) total funds less than the revised budget of \$4.127 billion for the current fiscal year.

Unless otherwise stated, all following amounts are expressed in total funds.

1. CASELOAD

The budget anticipates an increase of 7,594 consumers (a 3.1% increase) over the 244,108 consumers projected for January 31, 2011.

2. OPERATIONS – \$5.2 Million Increase Over Current Year

- \$9.6 million increase in Staffing due to the projected increase in caseload.
- \$0.2 million increase in Federal Compliance due to the projected increase in caseload.
- \$4.6 million decrease in Operations for implementing the ICF-SPA. FY 2010-11 had 4-years worth of administrative fees due to the three years of retro-active billings to be completed in FY 2010-11. This reduction represents three years worth of administrative fees.

3. PURCHASE OF SERVICE - \$196.9 Million Increase

- \$151.1 million increase over current fiscal year for caseload and utilization growth.
- \$1.8 million increase to implement the CMS requirement that Participant-Directed Services have the option of utilizing an FMS. See number 6, below.
- \$23.1 million decrease in Quality Assurance fees related to the ICF-SPA. FY 2010-11 had 4 years worth of fees. This adjustment reflects a reduction of 3 years worth of fees.
- \$67.1 million increase to offset reductions in other departments which will increase POS expenditures.
 - \$4.6 million increase for reduction in SSP payments to the MOE floor.
 - \$29.5 million increase due to the elimination of ADHC services.
 - \$33.0 million due to the changes in Medi-Cal for co-payments and service limits.

4. PREVENTION - \$1.9 Million Increase

Prevention Program funding was decreased by \$18.1 million in current fiscal year to \$18.1 million due to the low caseload for this program. This money was redirected to Early Start services. In FY 2011-12, the Prevention Program will get \$1.9 million of this back for a total of \$20.0 million for FY 2011-12.

5. SYSTEM-WIDE COST CONTAINMENT MEASURES - \$533.5 Million Decrease

The \$533.5 million **General Fund** system-wide savings is to be achieved “through a variety of mechanisms including additional developmental center expenditure reductions, increased accountability and transparency, and implementation of statewide service standards.”

6. NEW MAJOR ASSUMPTION – Financial Management Services (FMS) for Participant-Directed Services

When the consumer functions as the managing employer of workers who provide waiver services (participant-directed services), CMS requires that the option of a FMS be offered to assist the participant in functions such as processing payroll, withholding federal, State, and local taxes, performing fiscal accounting and producing expenditure reports for the participant or family and State authorities. DDS' current HCBS Waiver includes three vouchered services that fall within the CMS definition of participant-directed services: respite, transportation and day care. DDS must submit the HCBS Waiver renewal application to the CMS in 2010-11 as the current Waiver expires September 30, 2011. To establish FMS as an option for vouchered respite, transportation and day care, DDS will need to revise Title 17 regulations to include FMS for these services and establish a rate methodology for procuring the FMS.

The total estimated funding for new FMS services assumes 18,560 vouchers will be utilized annually by consumers of day care, respite and transportation services at a flat fixed rate of \$95 per month for total expenditures of \$1,763,200 (\$1,763,000 rounded) in 2011-12 of which 50 percent (\$882,000) will be eligible for FFP in 2011-12.

7. FUTURE FISCAL ISSUE – Federal Medicaid Requirements for RC Vended Providers of Home and Community-Based Services (HCBS)

To comply with the federal rules, address the audit findings in Centers for Medicare and Medicaid Services' (CMS) 2010 draft, “*Medicaid Integrity Program, California Comprehensive Program Integrity Review*” and avoid a potential loss

of approximately \$1.6 billion in federal financial participation (FFP) the Department of Developmental Services (DDS) must develop and promulgate significant changes to its Title 17 regulations governing RC vendorization of service providers. The necessary regulatory changes would be completed by July 1, 2011, requiring RCs to gather and review business ownership, control and relationship information from prospective and current vendors (an estimated 17,000 current vendors will need to undergo this type of review). Additionally, pursuant to regulatory changes the RCs will be required to determine that all prospective and current vendors (about 67,000) are eligible and remain eligible to participate as Medicaid service providers by verifying that they have not been convicted of a crime related to the Medicare, Medicaid or Title XX programs. Furthermore, on a periodic basis, RCs will be required to verify that vendors (about 3,700) continue to meet all applicable vendorization requirements (e.g. professional licensure), including those identified above, in order for the State to comply with the federal law and meet the CMS mandated HCBS Waiver assurance that only qualified providers deliver Medicaid funded services. The current HCBS Waiver expires on September 30, 2011, and renewal of the Waiver will be contingent upon demonstrated compliance with the requirement to verify the eligibility of vendors to participate as Medicaid service providers. This requirement also applies to the Intermediate Care Facility-Developmentally Disabled and 1915(i) State Plan Amendments currently pending CMS' approval. Failure to comply with the requirement would jeopardize DDS' ability to collect over \$300 million in FFP already budgeted for these services.

This would appear to be a major regional center staff workload for which there are no regional center Operations funds allocated.



ASSOCIATION OF REGIONAL CENTER AGENCIES

915 L Street, Suite 1440 • Sacramento, California 95814 • 916.446.7961 • Fax: 916.446.6912

ARCA Position Statement Governor's Proposed Budget for Fiscal Year 2011-12

The following represent ARCA's positions regarding the proposals included in the Governor's budget proposed for FY 2011-12.

ARCA appreciates the fact that the State is facing an unprecedented fiscal crisis and will work with the Department of Developmental Services (Department) to explore alternative means to generate the needed savings.

The budget for the Department of Developmental Services (DDS) contains a \$750 million General Fund reduction. The \$334 million General Fund reductions from the 2009-10 FY together with the proposed \$750 million reduction will have a crippling effect on the regional center system's ability to continue providing services.

Regional centers recognize the magnitude of the state's deficit and that some reductions may be necessary. However, the proposed \$750 million General Fund reduction to the regional center budget coupled with the compound effect of cuts over the past decade will result in further erosion to an already fragile community-based service delivery system for people with developmental disabilities in California.

The regional center system has sustained hundreds of millions of dollars in reductions over the last decade. The proposed reductions to this system will continue to diminish the level and quality of services regional centers provide to people with developmental disabilities. This proposal will result in the reduction or elimination of some services, compromise consumer choice, impact the quality of remaining services, lead to ever higher caseloads for regional center case workers, and stretch the resources of the care providers who provide the needed services to regional center consumers which ultimately could jeopardize the health and safety of consumers.

For these reasons ARCA opposes the \$750 million General Fund reduction.

In an effort to minimize the direct impact of reductions to the lives of people served by regional centers, ARCA proposes two concepts for the Legislature to consider:

Accessing private insurance; regional centers as payers of last resort

Third party payers such as private insurance can help offset costs historically covered by the state through regional centers. By law, as outlined in the Lanterman Developmental Disabilities Services Act, regional centers are payers of *last* resort. Assembly Bill 171 (Beall) could provide an avenue for cost avoidance by mandating insurance carriers cover costs associated with screening, diagnosis and treatment of autism, an eligible condition for regional center services under California law.

Consolidation of vendor quality assurance

Many providers who are vendorized by regional centers are also licensed and overseen by multiple agencies such as Department of Social Services Community Care Licensing (CCL) and other entities.

Costs associated with compliance activities on quality assurance are redundant and consolidation of these activities could result in cost savings and streamline oversight.

Purchase of Service (POS)

DDS has identified a number of ways to achieve General Fund reductions. The following are ARCA's position on each of the proposals:

a. Proposal to Continue the 4.25% Payment Reduction – ARCA opposes continuation of the 4.25% payment reduction to service providers, which is due to expire in June 2011, and which began in February 2009 as a 3% reduction and was then increased to 4.25% beginning July 1, 2010 (a reduction of \$165.5 million total funds, \$91.5 million General Fund).

(1) Most services have had their rates frozen for the past six years and this arbitrary reduction further exacerbates the rate inequities among service providers.

(2) ARCA also opposes the indefinite continuation of this proposed reduction and, if the reduction is implemented, believes these funds should be restored once the fiscal crisis has passed.

b. Proposal to Seek \$50 Million in Proposition 10 Funding – ARCA supports this proposal. This will result in a \$50 million General Fund reduction.

c. Proposal to Add Consumers to the 1915(i) State Plan Amendment (SPA) – ARCA supports including additional consumers and related expenditures in the 1915(i) SPA and maximizing the use of the "Money Follows the Person" funding for individuals placed out of institutions for a \$65 million General Fund reduction.

d. Proposal to Secure an Additional \$10 Million in Federal Financial Participation (FFP) for Certification of the Secure Treatment Facility at Porterville Developmental Center (DC) – ARCA supports this proposal.

e. Proposal to Achieve Additional General Fund Reductions Through Additional DC Expenditure Reductions – ARCA supports this proposal in concept.

f. Proposal for Increased Regional Center Accountability and Transparency – ARCA supports this proposal in concept.

g. Proposal for Implementation of Regional Center Statewide Service Standards – ARCA is neutral on this proposal as the Department's purchase-of-service standards have not been developed and conceptually lacks specificity. ARCA commits to actively participate in the development of statewide purchase of service standards at the request and invitation of the Department of Developmental Services.

2. ARCA supports the \$151.1 million adjustment (total funds) due to caseload growth and increase service utilization.

3. ARCA supports the \$1.8 million to implement the federal Centers for Medicare and Medicaid Services (CMS) requirement that consumers and their families with "Participant-Directed Services" have the option of utilizing a Fiscal Management Service (FMS) to pay for their direct support services.

4. ARCA supports the \$67.1 million to offset the reductions in other departments.

a. \$4.6 million to offset the reduction in SSP payments to the maintenance of effort floor.

b. \$29.5 million to offset the elimination of Adult Day Health Care services.

c. \$33.0 million to offset the changes in Medi-Cal for co-payments and service limits.

d. Any offsets to changes made to In-Home Support Services (IHSS).

Operations (OPS)

The following are ARCA's positions on the major components of the Operations budget:

1. Oppose the continuation of the 4.25 % reduction to the Operations budget which is due to expire in June 2011, and which began in February 2009 as a 3% reduction and was then increased to 4.25% beginning July 1, 2010 (a reduction of \$22.8 million total funds of the total funds amount addressed in POS, above).

This reduction will further exacerbate the burden regional centers face to provide services to over 7,500 additional consumers entering the regional center system in the Budget Year while maintaining mandated caseload ratios with an already underfunded budget.

a. Regional center Operations budget continues to receive an annual \$10 million unallocated reduction that was instituted in the early 1990's.

b. The bulk of the regional center Operations budget is calculated using the Core Staffing formula. The salaries in the Core Staffing formula do not reflect actual current day salaries, with few exceptions, have not been updated since 1991. This has resulted in the regional center Operations budget being underfunded by approximately \$166 million.

c. Continued erosion of caseload ratios will lead to reduced monitoring of consumer services which could undermine the health and safety of consumers, jeopardize the continued receipt of over \$1 billion in HCBS waiver funds, and prevent regional centers from providing the current level of advocacy for school-age consumers.

d. Support consideration of workload efficiencies for regional center staff to mitigate the loss of these funds.

2. Support the adjustment of \$9.8 million for updated caseload.

Other Issues

1. Oppose further reduction of SSI/SSP benefits (\$177 million General Fund savings). Regional center consumers who live independently rely on these benefits to pay their rent and buy food. These reductions would be a hardship for these individuals.
2. Oppose elimination of Adult Day Health Care Benefits from Medi-Cal funding (\$176.6 million General Fund savings). Many regional center consumers currently receive this service.
3. Oppose changes in Medi-Cal for increased co-payments (\$557.1 million General Fund savings) and limits on services (\$217.4 million General Fund savings). Some of the neediest regional center consumers who receive Medi-Cal services may be negatively impacted by these changes.
4. Oppose reductions in IHSS services (\$486.1 million General Fund savings). Some regional center consumers depend on IHSS to assist them in living on their own. If their IHSS is eliminated, they may have to move into a more restrictive and costly community care facility.



ASSOCIATION OF REGIONAL CENTER AGENCIES

915 L Street, Suite 1440 • Sacramento, California 95814 • 916.446.7961 • Fax: 916.446.6912

Association of Regional Center Agencies Guiding Principles for 2011

The Association of Regional Center Agencies (ARCA) will use the following guidelines in the development of our legislative and budget priorities for 2011.

Person/family-centered focus and self-direction:

We support implementation of self-directed services contingent upon collaboration, full funding, and safeguards to all consumers and regional centers.

We support provisions that will address resolution of payment disputes between regional centers and other publicly funded agencies so regional center consumers and their families will continue receiving services without interruption.

We support the core concept of the Individual Choice Budget to retain person/family-centered options.

Lanterman Act entitlement and client rights:

We support policy discussions regarding full access and funding for services to ensure the continuation of the entitlement, promote full community inclusion and the preservation of consumer and family rights.

We support the rights of persons with developmental disabilities to a free and appropriate education in the least restrictive environment as well as access to all community services available to the general population.

We fully support a single, unified system for seamless service delivery to all persons with developmental disabilities, regardless of where they reside. We support uniform developmental center commitment procedures, including annual judicial review to ensure the appropriateness of placement.

We encourage placements from state developmental centers into the community and support the creation of community options for people currently residing in the developmental centers.

We support efforts to reduce the incidence of abuse perpetrated on persons with developmental disabilities.

We also support the protection of client rights by requiring providers to maintain proper insurance coverage and to list the regional center as an additional insured.

Availability of quality services/service development:

We support eliminating the prohibition on using purchase-of-service (POS) funds for the development of necessary programs to best fit consumer needs. We also support eliminating the provider rate freeze and instituting an outcome-based system for adjusting rates for regional center providers.

We support expansion of the Medi-Cal Emergency Fund to ensure adequate resources are available to serve people with developmental disabilities during budget delays.

We promote the flexible use of regional center negotiated rates not associated with a local or statewide median rate to ensure adequate reimbursement to service providers.

We endorse a rate system that takes into account the reasonable cost of doing business and geographic differentials for service providers.

We support provisions to ensure adequate funding for research into the causes and incidences of autism and other developmental disabilities and efficacy of various treatments and interventions.

Housing and residential services:

We support the development of community-based housing alternatives which would remain in the system for the sole use of persons with developmental disabilities. These alternatives and service delivery options may include ownership of property by a non-profit housing corporation rather than the service provider, allowing for additional stability for consumers and their families.

We support the use of regional center purchase-of-service funds to enable non-profit entities to provide rental assistance for and/or purchase housing for persons with developmental disabilities.

We support funding a rate system that promotes group homes of four persons or less with each individual having their own bedroom.

We support efforts to provide a clear definition regarding maximum costs for persons residing in supported living. It is recommended that the maximum cost for an individual placement shall not exceed the average annual cost of persons residing in state developmental centers.

We promote the concept of funds from the sale or lease of state developmental center property be placed in a revolving fund solely for the use of developing new, innovative programs and affordable housing for persons with developmental disabilities.

Employment and alternate day time activities for adults:

We promote the inclusion of adults with developmental disabilities into existing community services, programs, and activities already available to those without disabilities.

We support the development of competitive employment opportunities for people with developmental disabilities in where they will acquire marketable job skills, develop relationships, and earn their own money.

We support the use of natural supports and existing training networks by employers to minimize the need for paid support and to promote further independence.

Behavioral services:

We support the development of community-based supports to serve people with developmental disabilities and behavioral/mental health challenges.

We advocate for the development of secure living options and services for people with developmental disabilities and forensic needs as an alternative to state developmental center placement.

Health-related services:

We support rate adjustments for Medi-Cal providers to better reflect the additional time and expertise required to serve people with developmental disabilities.

We support the continuation of Department of Developmental Services Wellness Initiatives.

Services for infants and toddlers:

We support initiatives which will adequately fund regional center caseload average ratios of 45:1 for Early Start infants and toddlers.

We support funding to ensure services to infants and toddlers are provided in natural environments.

We support adequate funding for the Prevention Program to serve at-risk infants and toddlers.

Availability of quality services/support for regional center mandates:

We reaffirm our belief in the community-based nature of regional centers and our need to use public funds in a responsible and reasonable manner while being allowed the flexibility to be responsive to the local community.

We support adequate funding to meet regional center staffing and compensation needs and mandates to better maintain quality services for regional center consumers and families.

We support initiatives that provide adequate rates to support a "market wage" to regional center service provider direct care staff.

We support initiatives to secure funding that reflects the real cost of doing business by regional center service providers.

We promote service quality through the funding and coordination of quality management (including quality assurance) processes including identification of clear expectation, effective management of resources, data collection, and targeted system reform. Specifically, we support the ability for regional center to negotiate rates and performance outcome measures with service providers.

We support the full funding of any additional mandates placed on regional centers to ensure quality services can continue being provided to consumers and their families.

We support the reestablishment of incentives for regional centers that meet or exceed their performance contract objectives.

We support short and long-term budget strategies that recognize the dynamic and growing nature of demands for regional center purchase-of-services funds. We also recognize the need for program development in high cost, high growth and rural areas to meet consumer and family needs.

Approved by the ARCA Board of Directors January 21, 2011

Omar Noorzad - Re: CDCAN REPORT #019-2011: Assemblymember Beall Introduces AB 171 - Proposes Sweeping Private Health Insurance Reforms To Require Health Plans To Cover Critical Services for Children & Adults With Autism Spectrum & Other Disorders - Major Budget Impact

From: "Marty Omoto" <martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 1/20/2011 10:48 PM
Subject: Re: CDCAN REPORT #019-2011: Assemblymember Beall Introduces AB 171 - Proposes Sweeping Private Health Insurance Reforms To Require Health Plans To Cover Critical Services for Children & Adults With Autism Spectrum & Other Disorders - Major Budget Impact

CDCAN DISABILITY RIGHTS REPORT



#019-2011 – JANUARY 20, 2011 THURSDAY

CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK: *Advocacy Without Borders: One Community – Accountability With Action - California Disability Community Action Network*
Disability Rights News goes out to over 55,000 people with disabilities, mental health needs, seniors, traumatic brain & other injuries, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino,

African American communities, policy makers and others across California.
To reply to this report write: MARTY OMOTO at martyomoto@rcip.com
WEBSITE: www.cdcan.us TWITTER: www.twitter.com - "MartyOmoto"

REMEMBERING GEORGE MOORE, RESPECTED CALIFORNIA AND SACRAMENTO AREA DISABILITY ADVOCATE, MEMBER OF CALIFORNIANS FOR DISABILITY RIGHTS (CDR) WHO DIED TODAY

California State Budget Crisis:

ASSEMBLYMEMBER BEALL INTRODUCES BILL THAT WOULD REQUIRE PRIVATE HEALTH INSURANCE TO PAY FOR CRITICAL SERVICES FOR PEOPLE WITH AUTISM SPECTRUM DISORDERS

AB 171 Would Enact Most Sweeping Private Health Insurance Reforms in Nation and Have Major Impact in Reducing State General Fund Costs Advocates Say

SACRAMENTO, CALIF (CDCAN) [Updated 01/20/2011 08:55 PM (Pacific Time)] - Legislation that could have major impacting in reducing State general fund costs in



developmental and other services by requiring private health insurers to pay for critical services for children and adults with autism spectrum and related disorders was introduced today by Assemblymember Jim Beall, Jr. (Democrat – San Jose) [photo left]

The issue has been the focus of intense advocacy by many families of children with autism spectrum disorders, including a Bay Area mother, Feda Almaliti, who fought a long and ultimately successful battle against her managed care plan to provide services to her son with autism spectrum disorders.

In introducing his bill today, Beall said that he stands with "...the thousands of California parents and their children with autism spectrum and related disorders in the fight for justice to insure that California's HMO's [health maintenance organizations] and other private insurers bear

their fair share of the responsibility of providing essential services to those impacted by these conditions.”

The legislation, AB 171, is sponsored by the Alliance of California Autism Organizations (ACAO) which is comprised of over 40 California parent founded and supported local, state, and nationally based autism advocacy and support organizations and their local chapters.

SUMMARY OF WHAT AB 171 WOULD DO:

As introduced today, AB 171 would make the following changes in State law:

- *Require health plans to cover screening, diagnosis and treatment of autism spectrum disorders.*
- *Require health plans to develop and maintain networks of qualified autism service providers.*
- *Prohibit health plans from denying essential treatments to individuals with autism spectrum and related disorders.*

Beall says his bill intends to “leave the practice of medicine to doctors instead of insurance companies.”

Last year Senate President Pro Tem Darrell Steinberg (Democrat – Sacramento) pushed legislation, SB 1283, that focused on health insurance grievances that touched on a part of the larger issue of health insurance plans and children with autism spectrum disorders and their families, focusing on the handling of grievances against a health plan.

That bill was passed by the Assembly and State Senate but was vetoed on September 30, 2010 by Governor Arnold Schwarzenegger, who said the bill was “overbroad in its application and would affect all of the Department’s grievance procedures” and was not necessary.

Advocates – and Beall – are hopeful that Brown – a Democrat – is more likely to embrace health insurance reforms as proposed in AB 171, especially given the assertion that those reforms would mean significant savings to the State general fund.

Issue Has Major Impact on State Budget Crisis and Spending Cuts To Developmental Services

- The controversy regarding private health insurance plans and children with autism spectrum disorders and their families and what the health plans should cover has major potential impact on the State budget.
- Many advocates for families with children with autism spectrum disorders claim that the State could save tens of millions of dollars if insurance companies covered many of the services currently paid for by the State. Some advocates claim the savings could be well over \$200 million in State general funds – savings that could off-set cuts in actual spending in the developmental services budget.
- Those advocates also claim that private health insurance companies should have been required to provide certain intervention services for children with autism spectrum disorders, which could have prevented the need for more expensive services that the State is paying for now and in future years.
- Private health insurance companies have previously have strongly disagreed with the assertions made by advocates and are likely to mount a major campaign to oppose the bill, including during the hearings in the coming months (likely in late March or April).

"We cannot continue to expect taxpayers to exclusively foot the bill for vital health care services and programs such as Applied Behavior Analysis (ABA), Speech Therapy, Occupational Therapy and other essential medical and mental health services for children and adults with autism spectrum and related disorders.

"The private insurance industry must once and for all be mandated to provide these services and share the fiscal burden that many of us here in Sacramento believe has been purposely and disingenuously avoided for many years by the private insurance industry."

Beall says that his bill if enacted, would provide significant and immediate cost savings to the State, which he says is currently paying the cost of health care services for many insured Californians with autism spectrum disorders through the Regional Centers, counties and school districts.

Beall believes his legislation will provide long term cost savings in the form of reduced state spending on special education, welfare and other ongoing social services by ensuring that children and adults with autism spectrum and related disorders receive comprehensive treatment.

Rick Rollens, a Sacramento area parent of a son with autism spectrum disorders and a longtime advocate, praised Beall for introducing what he called a "historic bill".

Health Insurance Reforms Not Specifically Part of Governor's Budget

- Health insurance reforms such as Beall's legislation is technically not part of Governor Jerry Brown's budget plan as proposed – though would impact the plan by off-setting potentially tens of millions of dollars in State general spending cuts proposed to developmental services.
- The bulk of Governor's proposal for spending cuts to developmental services of over \$750 million in State general funds is largely unspecified at this point – to be identified by the Department of Developmental Services in the coming months that will include spending cuts that could be achieved by imposing accountability, transparency, state purchase of service standards – and also health insurance reforms.
- It is not clear at this point if Beall's bill will somehow be included in whatever the Brown Administration will submit back to the Legislature later in the budget process. *[CDCAN will be issuing Action Alert urging that these reforms are included as part of the Brown Administration's plan to achieve spending cuts in state general fund spending in developmental services]*

Issue Was Focus of June 10, 2010 Info Hearing By Senate Select Committee on Autism and Related Disorders

The issues surrounding requiring private health insurance plans to cover critical services for people with autism spectrum and other disorders was the focus of a special informational hearing held June 10, 2010 by the Senate Select Committee on Autism and Related Disorders, chaired by Senate President Pro tem Darrell Steinberg (Democrat – Sacramento).

To view the a video recording of the hearing go to CalChannel:

<https://www.calchannel.com/channel/viewvideo/1491>

Steinberg convened the hearing last year because he wanted to bring together all the representatives and advocates of all the parties connected to this issue to hear the different perspectives and concerns that could lead to possible solutions, including discussion on who and what must be covered under the federal Mental Health Parity Act.

Regional Centers Coordinate Services Under Contract by State

- The 21 non-profit regional centers under contract with the Department of Developmental Services, coordinates community-based services and supports to over 240,000 children and adults with developmental disabilities, including autism spectrum disorders (ASD)/
- The numbers of persons diagnosed with autism spectrum disorders and eligible for regional center coordinated services has exploded into what advocates and policymakers alike say is an "epidemic", with the population served growing from over 8,700 in 1997 to nearly 37,000 persons as of December 2007.
- That number does not include thousands of other children and young adults who may be diagnosed with Autism Spectrum Disorders but are not eligible for regional center coordinated services after the State significantly narrowed eligibility in 2004 as one of the budget reduction measures enacted.
- Regional Centers and developmental services overall have been hit with State budget cuts since late 2001, with a permanent reduction of over \$500 million in State funds (including lost federal matching funds) in 2009 and another \$750 million permanent reduction in state general fund spending proposed by Governor Brown in the 2011-2012 State Budget year.

NEXT STEPS

Unless an urgency (emergency) bill or part of the budget as a budget trailer bill, the following are the usual next steps for bills introduced:

- Regular bills introduced must wait 30 days from the date of its introduction before it can be heard in any committee (that would mean sometime after February 20th)
- This bill will be referred to at least one – possibly two different policy committees and then to Assembly Appropriations Committee if it passes out of policy committee.
- This bill will likely be heard sometime during March and April in policy committee in the Assembly
- May 6, 2011 – last day for policy committees to hear and report out bills to Assembly (or Senate) Appropriations Committee
- May 27, 2011 – last day for Assembly (and Senate) Appropriations Committee to report bills to the Assembly (and Senate) floor
- June 3, 2011 – Last day for Assembly to pass Assembly bills in order for those bills to continue on in the 2011 session (this rule does not apply to urgency bills)
- July 8, 2011 – If AB 171 makes it out of the Assembly, it must pass out of Senate policy committee or committees and be referred to Senate Appropriations Committee by this date in order to be considered for passage during the 2011 session
- August 26, 2011 – Last day for Senate (and Assembly) Appropriations to hear and report out bills to the Senate (and Assembly) floors.
- September 9, 2011 – Last day for any bill to be passed on the Senate or Assembly floors [bills not passed are carried over to the 2012 session in January]
- October 9, 2011 – Last day for Governor to sign or veto bills sent to him by the Legislature and in his possession after September 9th.
- January 1, 2012 – Regular bills signed by the Governor during the 2011 session take effect (unless it is an urgency bill, which take effect immediately or whenever stated in the bill)

VERY URGENT!!!!

PLEASE HELP CDCAN CONTINUE ITS WORK!!!

JANUARY 20, 2011 – YOUR HELP IS NEEDED



CDCAN Townhall Telemeetings, reports and alerts and other activities cannot continue without your help. To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 55,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues.

Please send your contribution/donation (make payable to "CDCAN" or "California Disability Community Action Network):

CDCAN

1225 8th Street Suite 480 - Sacramento, CA 95814

paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO CALIFORNIA ASSOCIATION OF ADULT DAY HEALTH CENTERS, VENTURA COUNTY AUTISM SOCIETY, RESPITE, INC., LOS ANGELES RESIDENTIAL COMMUNITY SERVING DEVELOPMENTALLY DISABLED ADULTS LARC RANCH, FEAT OF SACRAMENTO, EASTER SEALS OF SOUTHERN CALIFORNIA, EMMANUEL AND FAMILY, MICHAEL DIMMITT, PEOPLE FIRST OF SAN LUIS OBISPO, BOB BENSON, the Pacific Homecare Services, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), Sacramento Gray Panthers, Bill Wong, Tri-Counties Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Training Toward Self Reliance, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.

Omar Noorzad - Re: CDCAN REPORT #020-2011: Dept of Developmental Services Outlines Process To Identify Regional Center Statewide Purchase of Services Standards Cut - Draft Budget Trailer Bill Language Likely To Be Released Early Next Week

From: "Marty Omoto" <martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 1/21/2011 11:22 AM
Subject: Re: CDCAN REPORT #020-2011: Dept of Developmental Services Outlines Process To Identify Regional Center Statewide Purchase of Services Standards Cut - Draft Budget Trailer Bill Language Likely To Be Released Early Next Week

CDCAN DISABILITY RIGHTS REPORT



CDCAN

#020-2011 – JANUARY 21, 2011 THURSDAY

CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK: *Advocacy Without Borders: One Community – Accountability With Action - California Disability Community Action Network Disability Rights News goes out to over 55,000 people with disabilities, mental health needs, seniors, traumatic brain & other injuries, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino,*

African American communities, policy makers and others across California.

To reply to this report write: MARTY OMOTO at martyomoto@rcip.com

WEBSITE: www.cdcan.us TWITTER: www.twitter.com - "MartyOmoto"

California State Budget Crisis:

Department of Developmental Services Outlines Process It Will Use To Identify Purchase of Services Standards Reductions

Governor's January 10th Budget Proposal Called for \$750 Million Cut In General Fund Spending for Developmental Services Largely Impacting Regional Centers – Proposal Called for Imposing Purchase of Service Standards, Various Accountability and Transparency Measures But No Details or Specific Budget Reductions Were Identified

SACRAMENTO, CALIF (CDCAN) [Updated 01/21/2011 10:35 AM (Pacific Time)] - The Department of Developmental Services, the state agency that contracts with 21 non-profit regional centers to coordinate community-based services and supports to over 240,000 children and adults with developmental disabilities, outlined today the process it will follow to identify details on how a large part of the \$750 million reduction in State general fund spending proposed by the Governor, will be cut from developmental services.

The Department of Developmental Services, which also operates and staffs 4 health facilities called developmental centers and one smaller facility, indicated that the process that will lead to crafting, with stakeholder input, a proposed statewide "purchase of services" standards for the Legislature to consider, will be outlined in draft budget related legislative language, called budget "trailer bill" language (because it follows or trails the main State budget bill). That budget trailer bill language could be released early next week for the Legislature to consider.

"Purchase of Services" refers to the regional center budget that pays for the actual community-based service that is provided by a community-based organization (such as Easter Seals or UCP, Respite Inc) or individual.

One specific reduction that was identified in the Governor's proposal to cut \$750 million in state

general fund spending in the developmental services budget was continuation for at least another year (to June 30, 2012) of the existing 4.25% cut in payments to most regional center providers and to regional center operations. That cut was supposed to expire June 30, 2011 – though the actual reduction amount is considered permanent. Many advocates expect the payment reduction to become permanent.

Statewide Purchase of Service Standards Meant to Reduce Spending

- The statewide purchase of services standards was first proposed in 2002 and again in 2003 by Governor Gray Davis, that was tied to large reductions in State general fund spending – though nowhere near the \$750 million reduction in Governor Brown's current budget proposal.
- Davis' proposal was strongly opposed by advocates who argued it would be reversing the individual rights of people under the Lanterman Developmental Disabilities Services Act – California's civil rights act for people with developmental disabilities, which no other state in the nation has. The Legislature rejected the proposal both times – though a reduction was still imposed.

Department Will Involve Stakeholders In Helping To Develop Standards

- The Department of Developmental Services indicated that the draft trailer bill language will outline the process it will use to gather input from stakeholders and to then develop a draft statewide purchase of services standards proposal to be submitted to the Legislature, probably in late May or early June for approval.
- The department indicated that the amount of savings to the State general fund (meaning the amount of money reduced in spending) will likely be "significant" but provided no details.
- While the Governor and Legislature have fast tracked action on the various budget proposals – including developmental services, the Legislature is likely to approve some dollar amount reduction with budget trailer bill language that would require the Brown Administration (Department of Developmental Services) to submit details by May or June.
- Statewide purchase of services standards will likely have major impact not only on a reduction in spending overall for services – but could impact availability of services.

The process outlined for developing the statewide purchase of service standards is generally:

- Online Survey – the Department of Developmental Services has been working on and is expected to release an online survey for the public – stakeholders – to provide input on regarding statewide purchase of service standards. The survey – which may use what is referred to as the "survey monkey" online survey tool, should be available as early as Monday – but definitely sometime early next week [CDCAN will issue report with link to the survey for people to participate. In addition that information will be available on the Department's website at www.dds.ca.gov]
- The online survey will be anonymous, open to everyone. The survey will be divided into major categories of programs under the Purchase of Services budget and within those categories there will be a number of questions that people can choose to answer (or not). It is not known yet how long the survey – when it is up – when be available.
- Workgroups - From the input from the online survey, the Department of Developmental Services will compile information from about 8 different workgroups – composed of about 30-35 people – to look at and to come up with ideas and recommendations.
- These would be new workgroups – not yet established – that the Department of Developmental Services will form involving "key players" to designate different people (providers, family members, people who receive services, etc). The Department is expected to release further details on how it will form these workgroups soon. The previous workgroup

known as the "Budget Advisory Group" will not be convened or used for this process.

- After the workgroups have completed their work in reviewing the online input and making recommendations, the Department of Developmental Services will compile a draft statewide purchase of services proposal.
- Public Forums – before submitting the draft statewide purchase of services proposal to the Legislature, the Department of Developmental Services will hold a series of public forums to receive public comment on the document. These forums would likely be held sometime in late April or May though no details have been released yet on dates, locations or how many forums will be held. In addition, several groups – including CDCAN – will hold statewide townhall telemeetings or other events – to help provide for more public comment.
- After the public forums, the Department will finalize the draft statewide purchase of service standards proposal and then submit to the Legislature for approval, including any proposed draft budget trailer bill language needed to make necessary changes to state law to implement the standards.
- Legislative Hearings – The Legislature will likely hold hearings on the draft proposal – and other budget issues, though at this point in time, it is not clear when that would likely happen in late May or June – or whether it will be the subcommittees or the full budget committees.

Expansion of Share of Cost Program Being Looked At

- The Department of Developmental Services, as part of Governor Brown's over-all reduction proposed for developmental services, is also looking at expanding what it calls "family and consumer responsibility" which refers to the existing family cost participation, which imposes for certain families with higher income levels, what amounts to a share of cost for certain services that their child or children use through the regional center community-based system.
- No details were provided, and it was not clear if this issue would be included in the draft budget trailer bill to expected to be released next week.
- In other health and human service program areas, the Governor proposed – as did Arnold Schwarzenegger unsuccessfully last year and the year before – establishing co-payments in the Medi-Cal program for doctor visits, emergency room visits and hospital stays and imposing hard caps in what could be spent for a recipient in several Medi-Cal services such as durable medical equipment, hearing aids, and incontinence supplies.

Accountability and Transparency Spending Reduction Provisions

The proposed trailer bill language, which the Department of Developmental Services says will be a "starting point" will also contain "extensive language" proposed that deals with the other ways the Governor is proposing to achieve the \$750 million cut in State general fund spending beyond the reduction that will be tied to imposing statewide standards.

Those other provisions dealing with accountability and transparency – all of which are meant to reduce spending in developmental services (and correspondingly save State general fund money), include:

- **Expand Audit Requirements** – draft trailer bill language would include provisions that would expand existing required annual audit requirements of regional centers to include audits of large providers of a "significant size".
- **Require Change In Auditors of Regional Centers** – draft trailer bill language would require regional centers who use the same accounting firm to conduct their required audit for a number of years, would be required to use a different company.
- **Disclosure Requirement of Regional Center Providers** – draft trailer bill language would be included to require providers to provide certain information for the Department of

Developmental Services to verify to make sure they would meet federal requirements that are required of enrolled Medi-Cal providers. The proposed language would not mean that regional center vendored providers would have to also be enrolled as Medi-Cal providers, but would require those providers to submit certain information to the Department to make sure they would otherwise be eligible to be a Medi-Cal provider. It is not certain if this language will refer to all regional center providers or only to those providers whose services are eligible for Medicaid (Medi-Cal) funding, though the draft trailer bill language, when it is released, presumably will make that clear.

- **Conflict of Interest Disclosure** – would include language regarding disclosure of any conflict of interests (perceived or real) of regional center staff and regional center board members.
- **Third Party Responsibility** – language dealing with increasing the ability of the Department of Developmental Services to collect money for services provided to a person with developmental disabilities from other parties (Third party) that under law, should fund the service (example are services covered under a person's health insurance, etc). It is not certain yet how measures – such as those contained in AB 171 introduced yesterday by Assemblymember Jim Beall (Democrat – San Jose) will or can be tied to this proposal to increase savings to the State general fund. .
- **Regional Center Board Approval of Certain Contracts** – would include language in the draft trailer bill that would require a regional center board of directors to approve all special contracts over a certain dollar amount. This does not refer to vendorization. The draft trailer bill language will likely have details on the exact dollar amount and what specific contracts would be covered by this provision.
- **Cap On Administrative Expenses for Regional Centers and Providers** – Department of Developmental Services will have language in the draft trailer bill that includes provisions that would impose a cap – the amount not yet determined – on administrative expenses for both regional centers and providers. The Department of Developmental Services said this was a big issue – including recent press reports that focused on providers with large administrative expenses including executive director salaries. The Department said the trailer bill language would define administrative expenses.
- **Public Records Access** – language that includes provision regarding creation of a portal on the Department of Developmental Services existing website to bring together various documents or links to those documents covered under the Public Record Act including links to documents on the 21 regional center websites. Some documents – such as regional center audit reports – are currently available now online, but are posted on a different state government website address. In addition the draft trailer bill language will contain

VERY URGENT!!!!

PLEASE HELP CDCAN CONTINUE ITS WORK!!!

JANUARY 21, 2011 – YOUR HELP IS NEEDED



CDCAN Townhall Telemeetings, reports and alerts and other activities cannot continue without your help. To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 55,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues.

Please send your contribution/donation (make payable to "CDCAN" or "California Disability

Community Action Network):

CDCAN

1225 8th Street Suite 480 - Sacramento, CA 95814

paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO CALIFORNIA ASSOCIATION OF ADULT DAY HEALTH CENTERS, VENTURA COUNTY AUTISM SOCIETY, RESPITE, INC., LOS ANGELES RESIDENTIAL COMMUNITY SERVING DEVELOPMENTALLY DISABLED ADULTS LARC RANCH, FEAT OF SACRAMENTO, EASTER SEALS OF SOUTHERN CALIFORNIA, EMMANUEL AND FAMILY, MICHAEL DIMMITT, PEOPLE FIRST OF SAN LUIS OBISPO, BOB BENSON, the Pacific Homecare Services, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), Sacramento Gray Panthers, Bill Wong, Tri-Counties Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Training Toward Self Reliance, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.

Attachment #8

21369

01/25/11 08:39 PM
RN 11 03216 PAGE 1

An act to add Section 4629.5 to the Welfare and Institutions Code, relating to developmental services, and declaring the urgency thereof, to take effect immediately.



1103216216BILL

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4629.5 is added to the Welfare and Institutions Code, to read:

4629.5. (a) Notwithstanding any other provision of law, all regional center contracts or agreements with service providers in which rates are determined through negotiations between the regional center and the service provider shall expressly require that at least 85 percent of regional center funds be spent on direct services. For purposes of this subdivision, direct service expenditures are those costs immediately associated with the services being offered by the provider. Funds spent on direct services shall not include any administrative costs. Administrative costs include, but are not limited to, any of the following:

- (1) Salaries, wages, and employee benefits for managerial personnel whose primary purpose is the administrative management of the entity, including, but not limited to, directors and chief executive officers.
- (2) Salaries, wages, and benefits of other nondirect service employees, including, but not limited to, payroll management, personnel functions, accounting, budgeting, auditing, and facility management.
- (3) Facility operation costs, except those immediately associated with direct services, as defined in this subdivision.
- (4) Maintenance and repair.
- (5) Data processing and computer services.
- (6) Contract and procurement activities.
- (7) Training.



TTT89ETZ12121011

- (8) Nondirect service travel.
- (9) Licenses.
- (10) Taxes.
- (11) Interest.
- (12) Insurance.
- (13) Depreciation.
- (14) General administrative expenses.

(b) Notwithstanding any other provision of law, all contracts between the department and the regional centers shall require that at least 85 percent of all funds appropriated through the regional center's operations budget shall be spent on direct services. For purposes of this subdivision, "direct services" includes service coordination, assessment and diagnosis, monitoring of consumer services, and clinical services. Funds spent on direct services shall not include any administrative costs. For purposes of this subdivision, administrative costs include, but are not limited to, any of the following:

- (1) Salaries, wages, and employee benefits for managerial personnel whose primary purpose is the administrative management of the regional center, including, but not limited to, directors and chief executive officers.
- (2) Salaries, wages, and benefits of other nondirect service employees, including, but not limited to, payroll management, personnel functions, accounting, budgeting, auditing, and facility management.
- (3) Facility operation costs, except those immediately associated with direct services, as defined in this subdivision.



- (4) Maintenance and repair.
- (5) Data processing and computer services.
- (6) Contract and procurement activities.
- (7) Training.
- (8) Nondirect service travel.
- (9) Licenses.
- (10) Taxes.
- (11) Interest.
- (12) Insurance.
- (13) Depreciation.
- (14) General administrative expenses.

(c) Consistent with subdivision (a), service providers and contractors, upon request, shall provide regional centers with access to any books, documents, papers, computerized data, source documents, consumer records, or other records pertaining to the service providers' and contractors' negotiated rates.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make changes necessary to implement the Budget Act of 2011, it is necessary for this act to take effect immediately.



110321621359BILL

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Regional center contracts: direct services.

Under existing law, the Lanterman Developmental Disabilities Services Act, the State Department of Developmental Services is responsible for providing various services and supports to individuals with developmental disabilities, and for ensuring the appropriateness and quality of those services and supports. Under existing law, regional centers contract with the department, as well as other service providers, to provide services and supports to persons with developmental disabilities.

This bill would require, notwithstanding any other provision of law, all regional center contracts with the department, and all regional center contracts or agreements with service providers, to require that at least 85% of regional center funds be spent on direct services, as defined. The bill would specifically exclude designated administrative costs from being included in the definition of direct services. This bill would require service providers and contractors, upon request, to provide regional



11032162169BILL

21369

01/25/11 08:39 PM
RN 11 03216 PAGE 2

centers with access to specified information pertaining to the service providers' and contractors' negotiated rates.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



110321621359BILL

86028

01/24/11 04:04 PM
RN 11 03214 PAGE 1

An act to amend Section 4639 of, and to add Section 4652.5 to, the
Welfare and Institutions Code, relating to developmental services, and
declaring the urgency thereof, to take effect immediately.



110321486028BILL

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4639 of the Welfare and Institutions Code is amended to read:

4639. (a) The governing board of a regional center shall annually contract with an independent accounting firm for an audited financial statement. The audit report and accompanying management letter shall be reviewed and approved by the regional center board and submitted to the department within 60 days of completion and before April 1 of each year. Upon submission to the department, the audit report and accompanying management letter shall be made available to the public by the regional center. It is the intent of the Legislature that no additional funds be appropriated for this purpose.

(b) The audit specified in subdivision (a) shall not be completed by the same accounting firm more than five times in every 10 years.

SEC. 2. Section 4652.5 is added to the Welfare and Institutions Code, to read:

4652.5. (a) (1) An entity receiving payments from one or more regional centers shall contract with an independent accounting firm for an audit or review of its financial statements subject to all of the following:

(A) When the amount received from the regional center or regional centers during the entity's fiscal year is more than or equal to ____ dollars (\$____) but less than ____ dollars (\$____), the entity shall obtain an independent audit or independent review of its financial statements for the period. This subdivision shall also apply to work activity program providers receiving less than ____ dollars (\$____).



(B) When the amount received from the regional center or regional centers during the entity's fiscal year is equal to or more than ____ dollars (\$____), the entity shall obtain an independent audit of its financial statements for the period.

(2) This requirement does not apply to payments made using usual and customary rates, as defined by Title 17 of California Code of Regulations, for services provided by regional centers.

(3) This requirement does not apply to state and local governmental agencies, the University of California, or the California State University.

(b) An entity subject to subdivision (a) shall provide copies of the independent audit or independent review report required by subdivision (a), and accompanying management letters, to each vendoring regional center within 30 days after completion of the audit or review.

(c) Regional centers receiving the audit or review reports required by subdivision (b) shall review and require resolution by the entity for issues identified in the report that have a direct or indirect impact on regional center services. Regional centers shall take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues.

(d) Regional centers shall notify the department of all qualified opinion reports or reports noting significant issues that directly or indirectly impact regional center services within 30 days after receipt. Notification shall include a plan for resolution of issues.



(e) For purposes of this section, an independent review of financial statements must be performed by an independent accounting firm and shall cover, at a minimum, all of the following:

(1) An inquiry as to the entity's accounting principles and practices and methods used in applying them.

(2) An inquiry as to the entity's procedures for recording, classifying, and summarizing transactions and accumulating information.

(3) Analytical procedures designed to identify relationships or items that appear to be unusual.

(4) An inquiry about budgetary actions taken at meetings of the board of directors or other comparable meetings.

(5) An inquiry about whether the financial statements have been properly prepared in conformity with Generally Accepted Accounting Principles and whether any events subsequent to the date of the financial statements would have a material effect on the statements under review.

(6) Working papers prepared in connection with a review of financial statements describing the items covered as well as any unusual items, including their disposition.

(f) For purposes of this section, an independent review report shall cover, at a minimum, all of the following:

(1) Certification that the review was performed in accordance with standards established by the American Institute of Certified Public Accountants.

(2) Certification that the statements are the representations of management.



(3) Certification that the review consisted of inquiries and analytical procedures that are lesser in scope than those of an audit.

(4) Certification that the accountant is not aware of any material modifications that need to be made to the statements for them to be in conformity with Generally Accepted Accounting Principles.

(g) The department shall not consider a request for adjustments to rates submitted in accordance with Title 17 of the California Code of Regulations by an entity receiving payments from one or more regional centers solely to fund either anticipated or unanticipated changes required to comply with this section.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make necessary changes for the implementation of the Budget Act of 2011, it is necessary that this act take effect immediately.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Developmental services: audits.

Under existing law, the Lanterman Developmental Disabilities Services Act, the State Department of Developmental Services is authorized to contract with regional centers to provide support and services to individuals with developmental disabilities. Existing law requires the governing board of a regional center to annually contract with an independent accounting firm for an audited financial statement.

This bill would prohibit the audit of a regional center from being completed by the same accounting firm more than 5 times in every 10 years.

Under existing law, regional centers purchase needed services for individuals with developmental disabilities through approved service providers or arrange for their provision through other publicly funded agencies.

This bill would require an entity receiving payments from one or more regional centers, except for state and local governmental agencies, the University of California,



110321486028111

or the California State University, to contract with an independent accounting firm for an audit or review of its financial statements, as specified. The bill would require regional centers to review and require resolution by the entity for issues identified in the report that have a direct or indirect impact on regional center services and to take appropriate action, up to termination of vendorization, for lack of adequate resolution of issues. The bill would require a regional center to notify the department of all qualified opinion reports or reports noting significant issues that directly or indirectly impact regional center services within 30 days after receipt. The bill would make related changes.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



11032146028BILL

30318

01/30/11 11:17 AM
RN 11 07802 PAGE 1

An act to amend Sections 4626 and 4627 of, and to add Section 4626.5 to, the Welfare and Institutions Code, relating to developmental services, and declaring the urgency thereof, to take effect immediately.



11078023011BELL

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4626 of the Welfare and Institutions Code is amended to read:

4626. (a) ~~In~~ The department shall give a very high priority to ensuring that regional center board members and employees act in the course of their duties solely in the best interest of the regional center consumers and their families without regard to the interests of any other organization with which they are associated or persons with whom they are related. Board members, employees, and others acting on the regional center's behalf, as defined in regulations issued by the department, shall be free from conflicts of interest that could adversely influence their judgment, objectivity, or loyalty to the regional center, its consumers, or its mission.

(b) In order to prevent potential conflicts of interest, no member of the governing board or member of the program policy committee of a regional center shall be any of the following:

(1) An employee of the State Department of Developmental Services or any state or local agency ~~which that~~ provides services to a regional center ~~client~~ consumer, if employed in a capacity which includes administrative or policymaking responsibility, or responsibility for the regulation of the regional center.

(2) An employee or a member of the state council or an area board.

(3) Except as otherwise provided in subdivision (h) of Section 4622, an employee or member of the governing board of any entity from which the regional center purchases ~~client~~ consumer services.



(4) Any person who has a financial interest, as defined in Section 87103 of the Government Code, in regional center operations, except as a consumer of regional center services.

~~(b) Notwithstanding paragraph (1) of subdivision (a), members serving on the governing board or program policy committee of a regional center on January 1, 1982, may continue to serve on the board or committee until the expiration of their term as defined in subdivision (f) of Section 4622. Notwithstanding any other provision of this section, members serving on the governing board or program policy committee of a regional center on January 1, 1982, may continue to serve on the board or committee until the expiration of their current term. Changes in the composition of the board or committee required by amendments to this section that are operative on January 1, 1982, shall apply only to subsequent vacancies on the board or committee.~~

(c) The department shall ensure that no regional center employee or board member has a conflict of interest with an entity that receives regional center funding, including, but not limited to, a nonprofit housing organization and an organization qualified under Section 501(c)(3) of the Internal Revenue Code, that actively functions in a supporting relationship to the regional center.

(d) The department shall develop and publish a standard conflict-of-interest reporting statement. The conflict-of-interest statement shall be completed by each regional center governing board member and each regional center employee specified in regulations, including, at a minimum, the executive director, every administrator, every program director, and every employee who has decisionmaking or policymaking authority or authority to obligate the regional center's resources.



(e) Every new regional center governing board member and regional center executive director shall complete and file the conflict-of-interest statement described in subdivision (d) with his or her respective governing board within 30 days of being selected, appointed, or elected. Every new regional center employee referenced in subdivision (d) and every current regional center employee referenced in subdivision (d) accepting a new position within the regional center shall complete and file the conflict-of-interest statement with his or her respective regional center within 30 days of assuming the position.

(f) Every regional center board member and regional center employee referenced in subdivision (d) shall complete and file the conflict-of-interest statement by August 1 of each year.

(g) Every regional center board member and regional center employee referenced in subdivision (d) shall complete and file a subsequent conflict-of-interest statement upon any change in status that creates a potential or present conflict of interest. For the purposes of this subdivision, a change in status includes, but is not limited to, a change in financial interests, legal commitment, regional center or board position or duties, or both, or outside position or duties, or both, whether compensated or not.

(h) The governing board shall submit a copy of the completed conflict-of-interest statements of the governing board members and the regional center executive director to the department within 10 days of receipt of the statements.

(i) All conflict-of-interest statements required pursuant to this section or Sections 4626.5 and 4627 shall be signed under penalty of perjury.



(j) The director of the regional center shall review the conflict-of-interest statement of each regional center employee referenced in subdivision (d) within 10 days of receipt of the statement. If a potential or present conflict of interest is identified for a regional center employee that cannot be eliminated, the regional center shall, within 30 days of receipt of the statement, submit to the department, the state council, and the respective area board, a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and actions the regional center or the employee, or both, will take to mitigate the conflict of interest.

(k) The department and the regional center governing board shall review the conflict-of-interest statement of the regional center executive director and each regional center board member to ensure that no conflict of interests exist. If a present or potential conflict of interest is identified for a regional center director or a board member that cannot be eliminated, the regional center governing board shall, within 30 days of receipt of the statement, submit to the department, the state council, and the respective area board, a copy of the conflict-of-interest statement and a plan that proposes mitigation measures, including timeframes and actions the regional center governing board or the individual, or both, will take to mitigate the conflict of interest.

SEC. 2. Section 4626.5 is added to the Welfare and Institutions Code, to read:
4626.5. Each regional center shall submit a conflict-of-interest policy to the department by July 1, 2011, and shall post the policy on its Internet Web site by August 1, 2011. The policy shall do, or comply with, all of the following:

- (a) Contain the elements of this section and be consistent with applicable law.
- (b) Define conflicts of interest.



(c) Identify positions within the regional center required to complete and file a conflict-of-interest statement.

(d) Facilitate disclosure of information to identify conflicts of interest.

(e) Require candidates for nomination, election, or appointment to a regional center board, and applicants for regional center director to disclose any potential or present conflicts of interest prior to being appointed, elected, or confirmed for hire by the regional center or the regional center governing board.

(f) Require the regional center and its governing board to regularly and consistently monitor and enforce compliance with its conflict-of-interest policy.

SEC. 3. Section 4627 of the Welfare and Institutions Code is amended to read:

4627. (a) The director of the department shall ~~promulgate~~ adopt and enforce ~~conflict of interest~~ conflict-of-interest regulations to ~~insure~~ ensure that members of the governing board, program policy committee, and employees of the regional center make decisions with respect to the regional centers that are in the best interests of the center's ~~clients~~ consumers and families.

(b) The department shall monitor and ensure the regional centers' compliance with this section and Sections 4626 and 4626.5. Failure to disclose information pursuant to these sections and related regulations may be considered grounds for removal from the board or for termination of employment.

(c) The department shall adopt regulations to develop standard conflict-of-interest reporting requirements.

(d) The department shall adopt emergency regulations to implement this section and Sections 4626 and 4626.5 by _____. The adoption, amendment, repeal, or



readoption of a regulation authorized by this section is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.9 of the Government Code, and the department is hereby exempted from that requirement. For purposes of subdivision (e) of Section 11346.1 of the Government Code, the 120-day period, as applicable to the effective period of an emergency regulatory action and submission of specified materials to the Office of Administrative Law, is hereby extended to 180 days.

(e) The department shall adopt regulations to implement the terms of subdivision (d) through the regular rulemaking process pursuant to Sections 11346 and 11349.1 of the Government Code within 18 months of the adoption of emergency regulations pursuant to subdivision (d).

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:



30318

01/30/11 11:17 AM
RN 11 07802 PAGE 8

In order to make changes necessary for implementation of the Budget Act of 2011, it is necessary that this act take effect immediately.

- 0 -



1107802031BILL

LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Regional centers: conflicts of interest.

Existing law, the Lanterman Developmental Disabilities Services Act, requires the State Department of Developmental Services to enter into contracts with private nonprofit corporations to operate regional centers for the provision of community services and support for persons with developmental disabilities and their families, including, but not limited to, residential placement. Existing law sets forth the duties of the regional centers, including, but not limited to, development of individual program plans, the purchase of needed services to implement the plan, and the monitoring of services.

Existing law requires the department to adopt and enforce conflict-of-interest regulations to insure that members of the governing board, program policy committee, and employees of the regional center make decisions with respect to the regional centers that are in the best interests of consumers and families.



This bill would, in addition, require that the department adopt emergency and other regulations to establish standard conflict-of-interest reporting requirements to require regional center board members, directors, and identified employees to complete and file conflict-of-interest statements. The bill would make conforming changes and would delete provisions permitting persons who served on a board or program policy committee on January 1, 1982, to continue to serve. The bill would require each regional center to submit a conflict-of-interest policy to the department by July 1, 2011, and to post the policy on its Internet Web site by August 1, 2011.

By requiring that the conflict-of-interest statements be signed under penalty of perjury, this bill would impose a state-mandated local program by changing the definition of an existing crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



1107802303180114

7:955

01/24/11 04:48 PM
RN 11 03217 PAGE 1

An act to amend Sections 4640.6 and 4791 of the Welfare and Institutions Code, and to amend Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, relating to developmental services, and declaring the urgency thereof, to take effect immediately.



1103217795811

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 4640.6 of the Welfare and Institutions Code is amended to read:

4640.6. (a) In approving regional center contracts, the department shall ensure that regional center staffing patterns demonstrate that direct service coordination are the highest priority.

(b) Contracts between the department and regional centers shall require that regional centers implement an emergency response system that ensures that a regional center staff person will respond to a consumer, or individual acting on behalf of a consumer, within two hours of the time an emergency call is placed. This emergency response system shall be operational 24 hours per day, 365 days per year.

(c) Contracts between the department and regional centers shall require regional centers to have service coordinator-to-consumer ratios, as follows:

(1) An average service coordinator-to-consumer ratio of 1 to 62 for all consumers who have not moved from the developmental centers to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 79 consumers for more than 60 days.

(2) An average service coordinator-to-consumer ratio of 1 to 45 for all consumers who have moved from a developmental center to the community since April 14, 1993. In no case shall a service coordinator for these consumers have an assigned caseload in excess of 59 consumers for more than 60 days.

(3) Commencing January 1, 2004, the following coordinator-to-consumer ratios shall apply:



(A) All consumers three years of age and younger and for consumers enrolled in the Home and Community-based Services Waiver program for persons with developmental disabilities, an average service coordinator-to-consumer ratio of 1 to 62.

(B) All consumers who have moved from a developmental center to the community since April 14, 1993, and have lived continuously in the community for at least 12 months, an average service coordinator-to-consumer ratio of 1 to 62.

(C) All consumers who have not moved from the developmental centers to the community since April 14, 1993, and who are not described in subparagraph (A), an average service coordinator-to-consumer ratio of 1 to 66.

(4) For purposes of paragraph (3), service coordinators may have a mixed caseload of consumers three years of age and younger, consumers enrolled in the Home and Community-based Services Waiver program for persons with developmental disabilities, and other consumers if the overall average caseload is weighted proportionately to ensure that overall regional center average service coordinator-to-consumer ratios as specified in paragraph (3) are met. For purposes of paragraph (3), in no case shall a service coordinator have an assigned caseload in excess of 84 for more than 60 days.

(d) For purposes of this section, "service coordinator" means a regional center employee whose primary responsibility includes preparing, implementing, and monitoring consumers' individual program plans, securing and coordinating consumer services and supports, and providing placement and monitoring activities.



(e) In order to ensure that caseload ratios are maintained pursuant to this section, each regional center shall provide service coordinator caseload data to the department, annually for each fiscal year. The data shall be submitted in the format, including the content, prescribed by the department. Within 30 days of receipt of data submitted pursuant to this subdivision, the department shall make a summary of the data available to the public upon request. The department shall verify the accuracy of the data when conducting regional center fiscal audits. Data submitted by regional centers pursuant to this subdivision shall:

(1) Only include data on service coordinator positions as defined in subdivision (d). Regional centers shall identify the number of positions that perform service coordinator duties on less than a full-time basis. Staffing ratios reported pursuant to this subdivision shall reflect the appropriate proportionality of these staff to consumers served.

(2) Be reported separately for service coordinators whose caseload includes any of the following:

(A) Consumers who are three years of age and older and who have not moved from the developmental center to the community since April 14, 1993.

(B) Consumers who have moved from a developmental center to the community since April 14, 1993.

(C) Consumers who are younger than three years of age.

(D) Consumers enrolled in the Home and Community-based Services Waiver program.



(3) Not include positions that are vacant for more than 60 days or new positions established within 60 days of the reporting month that are still vacant.

(4) For purposes of calculating caseload ratios for consumers enrolled in the Home- and Community-based Services Waiver program, vacancies shall not be included in the calculations.

(f) The department shall provide technical assistance and require a plan of correction for any regional center that, for two consecutive reporting periods, fails to maintain service coordinator caseload ratios required by this section or otherwise demonstrates an inability to maintain appropriate staffing patterns pursuant to this section. Plans of correction shall be developed following input from the local area board, local organizations representing consumers, family members, regional center employees, including recognized labor organizations, and service providers, and other interested parties.

(g) Contracts between the department and regional center shall require the regional center to have, or contract for, all of the following areas:

(1) Criminal justice expertise to assist the regional center in providing services and support to consumers involved in the criminal justice system as a victim, defendant, inmate, or parolee.

(2) Special education expertise to assist the regional center in providing advocacy and support to families seeking appropriate educational services from a school district.

(3) Family support expertise to assist the regional center in maximizing the effectiveness of support and services provided to families.



(4) Housing expertise to assist the regional center in accessing affordable housing for consumers in independent or supportive living arrangements.

(5) Community integration expertise to assist consumers and families in accessing integrated services and supports and improved opportunities to participate in community life.

(6) Quality assurance expertise, to assist the regional center to provide the necessary coordination and cooperation with the area board in conducting quality-of-life assessments and coordinating the regional center quality assurance efforts.

(7) Each regional center shall employ at least one consumer advocate who is a person with developmental disabilities.

(8) Other staffing arrangements related to the delivery of services that the department determines are necessary to ensure maximum cost-effectiveness and to ensure that the service needs of consumers and families are met.

(h) Any regional center proposing a staffing arrangement that substantially deviates from the requirements of this section shall request a waiver from the department. Prior to granting a waiver, the department shall require a detailed staffing proposal, including, but not limited to, how the proposed staffing arrangement will benefit consumers and families served, and shall demonstrate clear and convincing support for the proposed staffing arrangement from constituencies served and impacted, that include, but are not limited to, consumers, families, providers, advocates, and recognized labor organizations. In addition, the regional center shall submit to the department any written opposition to the proposal from organizations or individuals, including, but not limited to, consumers, families, providers, and advocates, including



recognized labor organizations. The department may grant waivers to regional centers that sufficiently demonstrate that the proposed staffing arrangement is in the best interest of consumers and families served, complies with the requirements of this chapter, and does not violate any contractual requirements. A waiver shall be approved by the department for up to 12 months, at which time a regional center may submit a new request pursuant to this subdivision.

(i) From February 1, 2009, to June 30, 2010, inclusive, the following shall not apply:

(1) The service coordinator-to-consumer ratio requirements of paragraph (1), and subparagraph (C) of paragraph (3), of subdivision (c).

(2) The requirements of subdivision (e). The regional centers shall, instead, maintain sufficient service coordinator caseload data to document compliance with the service coordinator-to-consumer ratio requirements in effect pursuant to this section.

(3) The requirements of paragraphs (1) to (6), inclusive, of subdivision (g).

(j) From July 1, 2010, to June 30, ~~2011~~, 2012, inclusive, the following shall not apply:

(1) The service coordinator-to-consumer ratio requirements of paragraph (1), and subparagraph (C) of paragraph (3), of subdivision (c).

(2) The requirements of paragraphs (1) to (6), inclusive, of subdivision (g).

(k) (1) Any contract between the department and a regional center entered into on and after January 1, 2003, shall require that all employment contracts entered into with regional center staff or contractors be available to the public for review, upon



request. For purposes of this subdivision, an employment contract or portion thereof may not be deemed confidential nor unavailable for public review.

(2) Notwithstanding paragraph (1), the social security number of the contracting party may not be disclosed.

(3) The term of the employment contract between the regional center and an employee or contractor shall not exceed the term of the state's contract with the regional center.

SEC. 2. Section 4791 of the Welfare and Institutions Code is amended to read:

4791. (a) Notwithstanding any other provision of law or regulation, between July 1, 2010, and June 30, ~~2011~~, 2012, inclusive, regional centers may temporarily modify personnel requirements, functions, or qualifications, or staff training requirements for providers, except for licensed or certified residential providers, whose payments are reduced by 4.25 percent pursuant to the amendments to Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, ~~as contained in Section 164 of the act that adds this section~~ as amended by Section 164 of Chapter 717 of the Statutes of 2010.

(b) A temporary modification pursuant to subdivision (a), effective during any agreed upon period of time between July 1, 2010, and June 30, ~~2011~~, 2012, inclusive, may only be approved when the regional center determines that the change will not do any of the following:

- (1) Adversely affect the health and safety of a consumer receiving services or supports from the provider.
- (2) Result in a consumer receiving services in a more restrictive environment.



(3) Negatively impact the availability of federal financial participation.

(4) Violate any state licensing or labor laws or other provisions of Title 17 of the California Code of Regulations not eligible for modification pursuant to this section.

(c) A temporary modification pursuant to subdivision (a) shall be described in a written services contract between the regional center purchasing the services and the provider, and a copy of the written services contract and any related documentation shall be retained by the provider and the regional center purchasing the services from the provider.

(d) Notwithstanding any other provision of law or regulation, the department shall suspend, from July 1, 2010, to June 30, ~~2011~~, 2012, inclusive, the requirements described in Sections 56732 and 56800 of Title 17 of the California Code of Regulations requiring community-based day programs and in-home respite agencies to conduct annual reviews and to submit written reports to vendoring regional centers, user regional centers, and the department.

(e) Notwithstanding any other provision of law or regulation, from July 1, 2010, to June 30, ~~2011~~, 2012, inclusive, a residential service provider, vendored by a regional center and whose payment is reduced by 4.25 percent pursuant to the amendments to Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, ~~as contained in Section 163 of the act that adds this section~~ as amended by Section 164 of Chapter 717 of the Statutes of 2010, shall not be required to complete quarterly and semiannual progress reports required in subdivisions (b) and (c) of Section 56026 of Title 17 of the California Code of Regulations. During program review, the provider shall inform the regional center case manager of the consumer's progress and any



barrier to the implementation of the individual program plan for each consumer residing in the residence.

SEC. 3. Section 10 of Chapter 13 of the Third Extraordinary Session of the Statutes of 2009, as amended by Section 164 of Chapter 717 of the Statutes of 2010, is amended to read:

Sec. 10. (a) Notwithstanding any other provision of law, in order to implement changes in the level of funding for regional center purchase of services, regional centers shall reduce payments for services and supports provided pursuant to Title 14 (commencing with Section 95000) of the Government Code and Division 4.1 (commencing with Section 4400) and Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code. From February 1, 2009, to June 30, 2010, inclusive, regional centers shall reduce all payments for these services and supports paid from purchase of services funds for services delivered on or after February 1, 2009, by 3 percent, and from July 1, 2010, to June 30, ~~2011~~, 2012, inclusive, by 4.25 percent, unless the regional center demonstrates that a nonreduced payment is necessary to protect the health and safety of the individual for whom the services and supports are proposed to be purchased, and the State Department of Developmental Services has granted prior written approval.

(b) Regional centers shall not reduce payments pursuant to subdivision (a) for the following:

(1) Supported employment services with rates set by Section 4860 of the Welfare and Institutions Code.



(2) Services with "usual and customary" rates established pursuant to Section 57210 of Title 17 of the California Code of Regulations.

(3) Payments to offset reductions in Supplemental Security Income/State Supplementary Payment (SSI/SSP) benefits for consumers receiving supported and independent living services.

(c) Notwithstanding any other provision of law, in order to implement changes in the level of funding appropriated for regional centers, the department shall amend regional center contracts to adjust regional center budgets accordingly for the 2008-09 fiscal year through the ~~2010-11~~ 2011-12 fiscal year. The contract amendments and budget adjustments shall be exempt from the provisions of Article 1 (commencing with Section 4620) of Chapter 5 of Division 4.5 of the Welfare and Institutions Code.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make changes necessary for implementation of the Budget Act of 2011, it is necessary that this act take effect immediately.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____

General Subject: Developmental services: regional centers.

Under existing law, the Lanterman Developmental Disabilities Services Act, the State Department of Developmental Services is authorized to contract with regional centers to provide support and services to individuals with developmental disabilities. Under existing law, regional center contracts require certain specified staffing levels and expertise, which have been suspended from July 1, 2010, to June 30, 2011.

This bill would suspend those staffing requirements through June 30, 2012.

Under existing law, the regional centers purchase needed services for individuals with developmental disabilities through approved service providers or arrange for their provision through other publicly funded agencies. Existing law requires regional centers, in order to implement changes in the level of funding for regional center purchase of services, to reduce certain payments for services delivered by 4.25% from July 1, 2010, to June 30, 2011, except as specified, and authorizes the temporary modification of



77955

01/24/11 04:48 PM
RN 11 03217 PAGE 2

personnel requirements, functions, or qualifications, or staff training requirements, and suspends prescribed annual review and reporting requirements for affected providers, until June 30, 2011.

This bill would continue those provisions until June 30, 2012.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.



11032177955BILL

Omar Noorzad - Re: CDCAN REPORT #026-2011: Critically Important Budget Subcommittee Hearings On Medi-Cal/Healthy Families (2/1); Regional Centers (2/3 and 2/10), IHSS and SSI/SSP (2/3) - Final Opportunity For Public to Testify Before Final Action Later In Feb

From: "Marty Omoto" <martyomoto@rcip.com>
To: <CDCANreportlist01@rcip.com>
Date: 1/30/2011 8:56 PM
Subject: Re: CDCAN REPORT #026-2011: Critically Important Budget Subcommittee Hearings On Medi-Cal/Healthy Families (2/1); Regional Centers (2/3 and 2/10), IHSS and SSI/SSP (2/3) - Final Opportunity For Public to Testify Before Final Action Later In Feb

CDCAN DISABILITY RIGHTS REPORT



CDCAN

#025-2011 – JANUARY 30, 2011 SUNDAY

CALIFORNIA DISABILITY COMMUNITY ACTION NETWORK: *Advocacy Without Borders: One Community – Accountability With Action - California Disability Community Action Network*
Disability Rights News goes out to over 55,000 people with disabilities, mental health needs, seniors, traumatic brain & other injuries, veterans with disabilities and mental health needs, their families, workers, community organizations, including those in Asian/Pacific Islander, Latino,

African American communities, policy makers and others across California.

To reply to this report write: MARTY OMOTO at martyomoto@rcip.com

WEBSITE: www.cdcan.us TWITTER: www.twitter.com - "MartyOmoto"

"WHAT WE ARE SPEAKS LOUDER THAN WHAT WE SAY" – JFK, 1960

REMEMBERING AN AMERICAN HERO: TODAY IS "FRED KOREMATSU DAY", a Japanese-American who defied and then fought in federal court the executive order by President Roosevelt that interned 120,000 children and adult Japanese-Americans in camps surrounded by barbed wire, hastily built in the deserts and in the most remote parts of the country during World War II – the greatest single act of institutionalization in modern American history.

State Budget Crisis:

HUNDREDS OF PEOPLE EXPECTED FOR CRITICAL BUDGET SUBCOMMITTEES HEARINGS THIS WEEK ON GOVERNOR'S PROPOSED PERMANENT SWEEPING CUTS TO MEDI-CAL, REGIONAL CENTERS, IHSS, SSI/SSP, HEALTHY FAMILIES, CALWORKS

Governor Brown To Deliver "State of the State" Address to Joint Session of Legislature Monday January 31st at 5 PM – Medi-Cal & Healthy Families Hearing on Feb 1 – Regional Centers/Developmental Centers Hearing on Feb 3rd – IHSS and SSI/SSP and Dept of Aging's MSSP Also on Feb 3rd

SACRAMENTO, CALIF (CDCAN) [Updated 01/30/2011 – 05:50 PM (Pacific Time) – Assembly and Senate budget subcommittee hearings continue this week, with less than two weeks remaining of scheduled subcommittee hearings to review and take public comment on Governor Jerry Brown's 2011-2012 State Budget plan, that includes permanent sweeping proposals calling for reductions in State general fund spending of over \$12.5 billion.

The Governor's plan calls for massive permanent reductions to several health and human

service programs including Medi-Cal, developmental services (including regional centers), In-Home Supportive Services, SSI/SSP (Supplemental Security Income/State Supplemental Payment program) and the related program for legal immigrants with disabilities, the blind and seniors who don't qualify for SSI – the Cash Assistance Program for Immigrants, CalWORKS, Healthy Families, and mental health.

Governor Brown is urging the Legislature to pass the 2011-2012 State Budget and budget related bills by March, several months before the start of the 2011-2012 State budget year (July 1st), as it did in 2009. The Governor said on January 10th that early action on the budget is needed in order to place at least measures on a June special election ballot.

Brown Scheduled to Deliver "State of the State" Monday at 5 PM

This week begins with the Governor scheduled to deliver his "State of the State" address to a joint session of the Legislature, Monday at 5:00 PM, at the State Capitol in the Assembly Chambers. The address – normally scheduled earlier in January – will be carried live by many TV news stations and also can be viewed in a live video stream on the CalChannel website at www.calchannel.com

The Governor's speech will likely provide additional details or direction regarding his proposed budget plan for 2011-2012 – which he wants to the Legislature to approve sometime around March 1, in order to have sufficient time for at least two measures to be placed on a special election ballot in June for voter approval – including one that would extend for five years temporary tax hikes that are scheduled to expire this year..

Week Includes Several Critically Important Subcommittee Hearings

Scheduled this week are critical hearings dealing with the Governor's proposed permanent reductions:

- Medi-cal - over \$1.7 billion to the Medi-Cal program including proposals to eliminate Adult Day Health Centers, place caps and limits on several benefits and services, and impose co-payments on several services (hearing is scheduled for February 1st – see below for details);
- Regional Centers - proposed permanent reductions in State general fund spending of over \$750 million to developmental services – the bulk coming from regional centers that coordinate community-based services for over 240,000 infants, children and adults with developmental disabilities (hearing set for Feb 3rd),
- In-Home Supportive Services - over \$500 million reduction in State general fund spending to the In-Home Supportive Services program (hearing set for Feb 3rd)
- SSI/SSP - proposal by the Governor to reduce the maximum SSI/SSP individual grants from \$845 to \$830 per month (hearing set for Feb 3rd)
- CalWORKS – proposal by the Governor to permanently reduce State general fund spending by \$1.5 billion to the State's "welfare to work" program that includes thousands of parents and children with special needs, mental health needs, and disabilities.

Both houses are holding subcommittee hearings on the same issues – so some of the issues (such as IHSS, Med-Cal, SSI/SSP) were previously heard by at least one house.

CDCAN has issued action alerts – and will issue special action alerts for hearing this week, including one for the February 3rd and 10th hearings on developmental services.

Subcommittee Hearings Only Major Opportunity To Make Public Comment on Governor's Proposals Before Legislature Takes Action Later in February

-
- These hearings last week and in the next two weeks will represent the only time – other than direct contact with one's own legislators either at the Capitol or in the district offices – that the public will have an opportunity to provide brief public testimony and comments on the Governor's proposals.
- Time for public testimony at these hearings however – given the large numbers of people expected – have been – and will be – very limited, though persons can leave longer written comments with the committee.
- People can testify – but should be prepared to limit their comments to less than a minute, to allow others time to testify. People can provide more comments by submitting to the subcommittee (hand your written comments to the sergeant-at-arms in the hearing room or mail/fax in your written comments to the Assembly or Senate Budget Offices after the hearing)
- People who want to testify simply line up in the hearing room (listen for the chair to provide instructions). There is no sign-in at the hearing to make comments.
- CDCAN will be issuing another Action Alert regarding the hearings with more details about the hearings.

ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH AND HUMAN SERVICES MEMBERS

Chair: Assemblymember Holly Mitchell (Democrat – Los Angeles)

Democratic Members (3): *Wes Chesbro, Holly Mitchell (chair), and Bill Monning* Democratic alternate: *Bob Blumenfield*

Republican Members (2): *Kevin Jefferies, and Allan Mansoor.* Republican alternate: *Jim Nielsen*

CDCAN COMMENT: *Mitchell, a former advocate for people with disabilities, seniors and low income families, who also headed a childcare provider agency in Los Angeles, was elected last November and replaces Assemblymember Dave Jones (Democrat – Sacramento) who was termed out (and subsequently elected in November as Insurance Commissioner).*

SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH AND HUMAN SERVICES MEMBERS

Chair: Sen. Mark DeSaulnier (Democrat – Walnut Creek)

Democratic Members (2): *Elaine Alquist, and Mark DeSaulnier*

Republican Member (1): *Bill Emmerson*

CDCAN COMMENT: *DeSaulnier, who has not served before on this subcommittee, replaces Sen. Mark Leno (Democrat – San Francisco), who now chairs the full Senate Budget and Fiscal Review Committee (who in turn replaced Sen. Denise Ducheny who was termed out last year).*

CDCAN LIST OF HEARINGS BY MAJOR BUDGET AREA

Following is list of major health and human service budget areas scheduled for hearing as of January 30, 2011, Sunday evening, 8:00 PM. Those hearings with a "high priority" designation by CDCAN are highlighted below in the color red and prefaced by *** before the subcommittee name (for those people using screen reading devices):

Adult Protective Services

- 02/08/11 (Tue) – Senate Budget Subcommittee #3 on Health & Human Services
- *Assembly Budget Subcommittee #1 on Health & Human Services heard Adult Protective Services budget issues on 01/27. Kept items "open" for later action.*

Aging (Department of Aging programs)

- **02/03/11 (Thu) – ***Senate Budget Subcommittee #3 on Health & Human Services (includes MSSP budget issue)**
- *Assembly Budget Subcommittee #1 on Health & Human Services heard Department of Aging budget issues on 01/25 including proposed elimination of the Multipurpose Senior Services Program (MSSP). Kept items “open” for later action.*

CalWORKS

- **02/02/11 (Wed) – ***Assembly Budget Subcommittee #1 on Health & Human Services**
- *Senate Budget Subcommittee #3 on Health & Human Services heard CalWORKS budget issues on 01/27. Kept items “open” for later action.*

Child Care and Child Welfare Services (Foster Care, Adoption Assistance

- *****02/02/11 (Wed) – Joint Hearing of Assembly Budget Subcommittees on Health and Human Services and Education Finance on Child Care and Child Development Programs Overview**
- 02/02/11 (Wed) – Senate Budget Subcommittee #1 on Education hearing on Child Care issues under Department of Education.
- 02/08/11 (Tue) – Senate Budget Subcommittee #3 on Health & Human Services (child welfare services budget issues)
- *Assembly Budget Subcommittee #1 on Health & Human Services heard child welfare services (including foster care) along with IHSS and SSI/SSP budget issues on 01/27. Kept items “open” for later action.*

Developmental Services (regional centers, developmental centers)

- **02/03/11 (Thu) - ***Assembly Budget Subcommittee #1 on Health & Human Services – regional centers/developmental centers the only item on the agenda**
- **02/10/11 (Thu) – ***Senate Budget Subcommittee #3 on Health & Human Services – regional centers/developmental centers the only item on the agenda**

Education (including special and adult education)

- 02/02/11 (Wed) – Joint Hearing of Assembly Budget Subcommittees on Health and Human Services and Education Finance on Child Care and Child Development Programs Overview
- **02/07/11 (Mon) – ***Senate Budget Subcommittee #1 on Education including special education and budget item relating to Governor’s proposal regarding AB 3632 special education mental health services mandate.**
- The Assembly Budget Subcommittees on Health and Human Services, and Education held a joint hearing on January 26th for the budget item dealing with the Governor’s proposal regarding AB 3632. The item was kept “open” for later action.

Foster Care – See “Child Welfare Services”Healthy Families Program

- **02/01/11 (Tue) – ***Assembly Budget Subcommittee #1 on Health & Human Services (also Medi-Cal)**
- *Senate Budget Subcommittee #3 on Health & Human Services heard Healthy Families budget issues on 01/26, along with Medi-Cal. Kept items “open” for later action*

In-Home Supportive Services (IHSS)

- **02/03/11 (Thu)** – *****Senate Budget Subcommittee #3 on Health & Human Services (IHSS, SSI/SSP and Dept of Aging including MSSP)**
- *Assembly Budget Subcommittee #1 on Health & Human Services heard In-Home Supportive Services budget issues along with SSI/SSP and child welfare services budget issues on 01/27. Kept items "open" for later action.*

Medi-Cal

- **02/01/11 (Tue)** – *****Assembly Budget Subcommittee #1 on Health & Human Services**
- *Senate Budget Subcommittee #3 on Health & Human Services heard Medi-Cal (Department of Health Care Services) budget issues on 01/26, along with Healthy Families . Kept items "open" for later action.*

Mental Health

- **02/01/11 (Tue)** - *****Senate Budget Subcommittee #3 on Health & Human Services**
- **02/07/11 (Mon)** – *****Senate Budget Subcommittee #1 on Education (budget item under Department of Education relating to Governor's proposal regarding AB 3632 special education mental health services mandate.**
- *Assembly Budget Subcommittee #1 on Health & Human Services heard mental health budget issues on 01/26 (AB 3632 budget issues was conducted as a joint hearing with Assembly Budget Subcommittee #2 on Education Finance). Kept items "open" for later action*

Rehabilitation (Department of)

- **02/03** – **Senate Budget Subcommittee #3 on Health & Human Services**
- *Assembly Budget Subcommittee #1 on Health & Human Services heard Department of Rehabilitation budget issues on 01/25. Approved budget change proposals by the department.*

SSI/SSP (and likely CAPI)

- **02/03/11 (Thu)** - *****Senate Budget Subcommittee #3 on Health & Human Services**
- *Assembly Budget Subcommittee #1 on Health & Human Services heard Supplemental Security Income/State Supplemental Payment individual grant (SSI/SSP) budget issues along with IHSS and child welfare services budget issues on 01/27. Kept items "open" for later action.*

CDCAN LIST OF BUDGET HEARINGS SCHEDULED BY DATE

The following – in date order – are the budget hearings scheduled as of January 30th, Sunday evening as of 8:00 PM. CDCAN indicates priority or importance of the hearing if it potentially has issues that directly impact people with disabilities, mental health needs, the blind, deaf, seniors, their families, community organizations, facilities and workers who provide supports and services. Bolded in color red (and marked with *** for those people who have sight impairments or use screen reading devices) at those specific budget items of very high priority

JANUARY 31, 2011 - MONDAY**ASSEMBLY BUDGET SUBCOMMITTEE #4 ON STATE ADMINISTRATION**

12:30 PM – State Capitol – Room 444 ***note time change***

Budget Items To Be Heard:

Several state administration related budget areas, including Department of Veterans Affairs (Budget Item 8950), Department of Consumer Affairs Regulatory Board (Budget Item 1110) and

Department of Housing and Community Development (Budget Item 2240)
 PRIORITY: Important

***** JANUARY 31, 2011 – MONDAY**

GOVERNOR'S "STATE OF THE STATE" ADDRESS BEFORE JOINT SESSION OF LEGISLATURE

05:00 PM – State Capitol – Assembly Chambers

CDCAN COMMENT: *Address will be televised live on several news stations and also webcast live on CalChannel at www.calchannel.com While the Governor has already released – on January 10th – his budget proposals – his speech, likely to be short – probably under 20-30 proposals, etc. minutes – could provide more light or information on his budget plan, including new priorities, rethinking certain*

PRIORITY: VERY HIGH

***** FEBRUARY 1, 2011 - TUESDAY**

***** ASSEMBLY BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE**

09:00 AM – State Capitol - Room 444

Budget Items To Be Heard:

- Department of Education (Budget Item 6110)
- Governor's Education Proposals for 2011-2012 State Budget
- California Longitudinal Pupil Achievement Data System (CALPADS) and California Longitudinal Teacher Integrated Data Education System (CALTIDES)
- Economic Impact Aid
- *****Special Education**
- Emergency Repair Program
- Mandates
- Public Comment

CDCAN COMMENT: *Special education funding – but also adult education programs are part of this budget area.*

PRIORITY: VERY HIGH

FEBRUARY 1, 2011 - TUESDAY

SENATE BUDGET SUBCOMMITTEE #1 ON EDUCATION

10:00 AM – State Capitol – Room 2040

Budget Items To Be Heard:

- Board of Governors of the California Community Colleges (Budget Item 6870)

CDCAN COMMENT: *This subcommittee continues hearing at 1:30 PM covering K-12 education budget issues.*

PRIORITY: Important

***** FEBRUARY 1, 2011 - TUESDAY**

***** ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH AND HUMAN SERVICES**

1:00 PM – State Capitol – Room 4202

Budget Items To Be Heard:

- *****Department of Health Care Services – Medi-Cal (Budget Item 4260)**
- *****Managed Risk Medical Insurance Board – Healthy Families (Budget Item 4280)**

CDCAN COMMENT: *Governor is proposing over \$1.7 billion in cuts to the Medi-Cal program and major cuts to the Healthy Families program. Senate Budget Subcommittee #3 on Health and Human Services heard these budget proposals on January 26th – kept items "open" for later action.*

CDCAN ACTION ALERT: YES
 PRIORITY: VERY HIGH

*****FEBRUARY 1, 2011 - TUESDAY**

*****SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH AND HUMAN SERVICES**

1:00 PM – State Capitol – Room 4203

Budget Items To Be Heard:

- *****Department of Mental Health (Budget Item 4440) – Proposition 63 Redirection; Community-based mental health services; state hospitals**
- Department of Public Health (Budget Item 4265) – AIDS Drug Assistance Program, and other issues as needed
- Department of Health Care Services (Budget Item 4260) – Family Health

CDCAN COMMENT: *Budget subcommittee staff is estimating that the length of this hearing will be about 4 hours. Governor is proposing to shift about \$900,000 from the fund balance of Proposition 63, the voter approved Mental Health Services Act, to temporarily fund 3 existing community-based mental health services currently funded by State general funds: EPSDT (Early, Periodic, Screening, Diagnosis and Treatment Program), Medi-Cal Managed Care Mental Health services and mental health services for special education students under the AB 3632 mandate. The Assembly Budget Subcommittee is holding its hearing on this issue on January 26th.*

PRIORITY: VERY HIGH

FEBRUARY 1, 2011 – TUESDAY

SENATE BUDGET SUBCOMMITTEE #1 ON EDUCATION

01:30 PM – State Capitol – Room 3191

Budget Items To Be Heard:

- California State Library (Budget Item 6120) – Governor's reduction proposal
- Department of Education (Budget Item 6110) - Governor's Education Proposals for 2011-2012 State Budget: California Longitudinal Pupil Achievement Data System (CALPADS) and California Longitudinal Teacher Integrated Data Education System (CALTIDES); Economic Impact Aid; Emergency Repair Program; Mandates
- Public Comment

PRIORITY: Important

*****FEBRUARY 2, 2011 – WEDNESDAY**

*****JOINT HEARING: ASSEMBLY BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE AND ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH & HUMAN SERVICES**

09:00 AM – State Capitol – Room 4202 ***note time change***

Informational Hearing – Subject:

Child Care & Development Programs Overview

Budget Items To Be Heard:

- *****Department of Education – Child Care (Budget Item 6110)**
 Governor's 2011–2012 State Budget Proposals
- Department of Finance - Presentation of Governor's Proposals
- Legislative Analyst Office: Assessment of Governor's Proposals & Recommendations
- Department of Education's Response
- Public Comment

Issues for Discussion:

- *****Restore CalWORKs Stage 3**
- *****Reduction of State Subsidies by 35%**

- *****Reduction of Income Eligibility Ceiling to 60% of State Median Income (SMI)**
- *****Elimination of services for 11–12 year old children**
- **Technical Adjustments & Update**

CDCAN COMMENT: *The child care are critical and part of the reductions that impact the CalWORKS program as proposed by the Governor. This is now a joint hearing of the Assembly budget subcommittees on Education Finance and Health and Human Services/*

PRIORITY: **VERY HIGH**

FEBRUARY 2, 2011 – WEDNESDAY

SENATE GOVERNANCE AND FINANCE COMMITTEE

09:30 AM – State Capitol – Room 112

Informational Hearing – Subject:

“The Governor’s Realignment Proposal Restructuring State and Local Responsibilities to Deliver Better Value”

CDCAN COMMENT: *This is a new committee this year, merging the old Senate Revenue and Taxation Committee and Senate Local Government Committee into this one standing committee, chaired by Sen. Lois Wolk (Democrat – Davis). Though this is not a budget hearing, the issue being heard has major impact on the Governor’s proposed spending plan. The Assembly has scheduled similar informational hearings by the Assembly Budget Subcommittee on Budget Oversight and Program Evaluation, chaired by Assemblymember Bob Blumenfield (Democrat – Van Nuys) on February 4th in Los Angeles and February 14th at the State Capitol. IHSS is **not** included in the initial (Phase 1) realignment proposal by the Governor that would take place during the 2011-2012 State Budget year – but is included in the second phase – though there is no date when that phase would begin*

PRIORITY: **HIGH**

FEBRUARY 2, 2011 – WEDNESDAY

SENATE BUDGET SUBCOMMITTEE #1 ON EDUCATION

12:00 Noon – State Capitol – Room 3191

Budget Items To Be Heard:

- Department of Education (Budget Item 6110) – Child Care

PRIORITY: **Important**

*****FEBRUARY 2, 2011 – WEDNESDAY**

*****ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH AND HUMAN SERVICES**

1:00 PM – State Capitol – Room 4202

Budget Items To Be Heard:

- *****Department of Social Services (Budget Item 5180) – CalWORKS and CalFRESH** (food stamps) budget items.
- California Health & Human Services Agency (Budget Item 0530) – DSS Automation Projects

CDCAN COMMENT: *CalWORKS is the State’s “welfare to work” serving over 500,000 families that includes thousands of parents and children with special needs and disabilities. Governor Brown is proposing \$1.5 billion reduction to this program.*

CDCAN ACTION ALERT: **YES** – will be issued Friday to urge people to attend this hearing and testify

PRIORITY: **VERY HIGH**

*****FEBRUARY 3, 2011 - THURSDAY**

*****SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH AND HUMAN SERVICES**

09:30 AM or Upon Adjournment of Senate Floor Session – State Capitol – Room 4203 (Senate Floor Session begins at 09:00 and should end within half hour)

Budget Items To Be Heard:

- *****Department of Social Services (Budget Item 5180) – In-Home Supportive Services and SSI/SSP (Supplemental Security Income/State Supplemental Payment) grants**
- *****Department of Aging (Budget Item 4170) (includes Multipurpose Senior Services Program – MSSP – proposed program elimination)**
- Department of Rehabilitation (Budget Item 5160)
- Office of Statewide Health Planning and Development (Budget Item 4140)

CDCAN COMMENT: *Budget subcommittee staff is estimating that the length of this hearing will be about 4 hours. Governor is proposing \$500 million in reductions in State general fund spending to IHSS by significantly narrowing eligibility by requiring certification from a physician for all recipients in the IHSS program that certifies that the person is "at risk" of being institutionalized; proposes an additional 8.4% across the board cut in authorized services hours for all IHSS recipients on top of the existing 3.6% cut that is scheduled to go into effect*

February 1st; would make the cuts in service hours permanent; proposes to eliminate domestic and related services for IHSS recipients who are under the age of 18 and live at home or if an adult, live in a "shared living arrangement"; would eliminate state funding for IHSS Advisory Committees. Governor proposes to eliminate the MSSP or Multipurpose Senior Services Program, a Medi-Cal funded program that funds 41 sites who coordinate community-based services for over 11,000 seniors over the age of 65 years old and Medi-Cal eligible who are otherwise at risk of being institutionalized but want to remain in their own home. The Assembly heard the MSSP issue on January 25th, and the IHSS and SSI/SSP issues on January 27th (kept the items "open" for later action)

CDCAN ACTION ALERT: YES

PRIORITY: VERY HIGH

*****FEBRUARY 3, 2011 – THURSDAY**

*****ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH AND HUMAN SERVICES**

1:00 PM or upon adjournment of Assembly Floor session – State Capitol – Room 4202

Budget Items To Be Heard:

- *****Department of Developmental Services – regional centers and developmental centers (Budget Item 4300)**

CDCAN COMMENT: *The subcommittee staff believe the budget subcommittee will probably end up meeting around 1 PM, and is scheduling some non-controversial items at the beginning of the hearing to allow more time for people to enter into the hearing room. The starting time of the hearing – which is 1 PM or upon adjournment of the Assembly floor session is difficult to determine. In the last four Thursdays the Assembly convened at 9 AM, 7 AM, 9 AM and most recently on 1/27 – at 10 AM.*

Governor is proposing a \$750 million reduction in State general fund spending – about \$530 million of that coming from outright cuts that have not yet been specified; extension of 4.2% reduction in most payments to regional center providers and regional center operations. Senate Budget Subcommittee #3 on Health & Human Services is holding its hearing on this issue on February 10th

CDCAN ACTION ALERT: YES

PRIORITY: VERY HIGH

FEBRUARY 3, 2011 – THURSDAY

ASSEMBLY BUDGET SUBCOMMITTEE #4 ON STATE ADMINISTRATION

Upon Adjournment of Assembly Floor Session – State Capitol – Room 447

Informational Hearing – Subject:
Labor and Workforce Development Overview
Budget Items To Be Heard:

- Employment Development Department (Budget Item 7100)
- Department of Industrial Relations (Budget Item 7350)

CDCAN COMMENT: *Advocates should make sure that the overview include issues impacting people with disabilities, mental health needs and seniors.*

PRIORITY: Important

FEBRUARY 4, 2011 – FRUDAY

ASSEMBLY BUDGET SUBCOMMITTEE #6 ON BUDGET PROCESS, OVERSIGHT & PROGRAM EVALUATION

2:30 PM – Los Angeles ***note time change***

Board Hearing Room 381B

Kenneth Han Hall of Administration

500 West Temple Street – Los Angeles, CA

Informational Hearing – Subject:

Governor's Realignment Proposal

CDCAN COMMENT: *This is a informational hearing focusing on the Governor's proposal to realign or shift several state programs to the counties in two phases. The first phase largely are public safety related programs, that would occur sometime in the 2011-2012 State Budget year, if approved by the Legislature. The second phase has not implementation date – though would not occur in the 2011-2012 State budget year that begins July 1, 2011 – that includes Governor's proposal to eliminate the current required county match for the IHSS program, making it a state-federal funded program only.*

PRIORITY: Important

FEBRUARY 7, 2011 – MONDAY

ASSEMBLY BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE

09:00 AM – State Capitol – Room 444

Budget Items To Be Heard:

- California State Library (Budget Item 6120)
- Governor's 2011–2012 State Budget Proposals
- Department of Education (Budget Item 6110)
- Governor's 2011–2012 State Budget Proposals
- Governor's 2011–12 Flexibility Proposals
- Legislative Analyst Office report on school district finance and flexibility
- Elimination of Office of the Secretary of Education
- State Board of Education: State Operations
- Update on Striving Readers Comprehensive Literacy Program
- Public Comment

CDCAN COMMENT: *Hearing continues at 2:00 PM. Some of the categorical "flexibility" that education wants to see continued includes those that impacts adult education programs. Many programs that serve or served adults with developmental disabilities and seniors were cut back or eliminated.*

PRIORITY: HIGH

FEBRUARY 7, 2011 – MONDAY

ASSEMBLY BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE

2:00 PM – State Capitol – Room to be announced

(continuation of 09:00 AM hearing)

Budget Items To Be Heard:

- University of California (Budget Item 6440)
- Hastings College of the Law (Budget Item 6600)
- California State University (Budget Item 6610)
- Board of Governors: California Community Colleges (Budget Item 6870)
- Presentation from Superintendent of Public Instruction Tom Torlakson and Officials of the Higher Education Systems

CDCAN COMMENT: *Major cuts are proposed to higher education – that could impact students with special needs, mental health needs and disabilities and low income families. Governor is proposing a major increase in community college fees.*

PRIORITY: **HIGH**

FEBRUARY 7, 2011 - MONDAY

ASSEMBLY BUDGET SUBCOMMITTEE #4 ON STATE ADMINISTRATION

1:00 PM – State Capitol – Room To Be Announced ***note time change***

Informational Hearing – Subject:

- Enterprise Zones and Redevelopment Overview
- Discussion of Administrations Proposal
- Open budget items

CDCAN COMMENT: *The Governor is proposing elimination of State general funding for enterprise zones and redevelopment agencies. Those proposals are considered revenue generating as it would, under the Governor's plan, divert those state general funds to other state general fund programs. Like all the Governor's proposals calling for reductions, if these proposals do not happen, then that reduction will have to come from somewhere else in the budget. Local government entities – including Los Angeles, Sacramento and other communities have indicated they will strongly oppose the Governor's proposal.*

PRIORITY: Important

*****FEBRUARY 7, 2011 – MONDAY**

***SENATE BUDGET SUBCOMMITTEE #1 ON EDUCATION

02:30 PM or upon adjournment of Senate floor session – State Capitol – Room 3191

Budget Items To Be Heard:

- *****Department of Education (Budget Item 6110)**
 - Governor's K-12 Flexibility Proposals
 - Legislative Analyst Office (LAO) report on school district finance and flexibility
 - AB 3632 Special Education mental health services mandate
 - Special Education
 - Section 28.00 Letter – Federal Striving Readers Program
- Department of Education (Budget Item 6110) – State operations
- Office of the Secretary of Education (Budget Item 0558) – Governor's proposal for elimination of the Office of the Secretary of Education and Governor's proposal for increased funding for State Board of Education
- Public Comment

CDCAN COMMENT: *The Assembly Budget Subcommittee #1 on Health and Human Services and Subcommittee #2 on Education Finance heard in a joint hearing on January 26th, the issue of the realigning the AB 3632 Special Education mental health services mandate (those two subcommittees kept item "open" for later action).*

The subcommittee will also hear special education budget related issues. Over 650,000

students with special needs and disabilities are in California's special education programs.

PRIORITY: VERY HIGH

FEBRUARY 8, 2011 - TUESDAY

*****SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH AND HUMAN SERVICES**

01:00 PM – State Capitol – Room 4203

Budget Items To Be Heard:

- **Department of Social Services (Budget Item 5180) – Child Welfare Services (includes foster care)**
- Department of Alcohol and Drug Programs (Budget Item 4200)
- Department of Community Services and Development (Budget Item 4700)
- Department of Child Support (Budget Item 5175)
- Open Issues (human services departments)

CDCAN COMMENT: Budget subcommittee staff is estimating that the length of this hearing will be about 4 hours. Child Welfare Services includes foster care and adoption assistance programs.

PRIORITY: VERY HIGH

FEBRUARY 9, 2011 – WEDNESDAY

SENATE GOVERNANCE AND FINANCE COMMITTEE

09:30 AM – State Capitol – Room 112

- Committee Organizational Items and 1 bill
- Informational Hearing – Subject: “The Governor’s Realignment Proposal Restructuring State and Local Responsibilities to Deliver Better Value”

CDCAN COMMENT: Like the hearing on the same issue scheduled February 2nd by this same committee - though this is not a budget hearing, the issue being heard has major impact on the Governor’s proposed spending plan. The Assembly has scheduled similar informational hearings by the Assembly Budget Subcommittee on Budget Oversight and Program Evaluation, chaired by Assemblymember Bob Blumenfield (Democrat – Van Nuys) on February 4th in Los Angeles and February 14th at the State Capitol.

*IHSS is **not** included in the initial (Phase 1) realignment proposal by the Governor that would take place during the 2011-2012 State Budget year – but is included in the second phase – though there is no date when that phase would begin*

PRIORITY: HIGH

FEBRUARY 10, 2011 - THURSDAY

ASSEMBLY BUDGET SUBCOMMITTEE #1 ON HEALTH AND HUMAN SERVICES

Meets Upon Adjournment of Assembly Floor Session – State Capitol – Room 4202

- All departments and open issues

PRIORITY: N/A

FEBRUARY 10, 2011 - THURSDAY

ASSEMBLY BUDGET SUBCOMMITTEE #2 ON EDUCATION FINANCE

Meets Upon adjournment of Assembly Floor Session – State Capitol - Room – To Be Announced

Any open education budget items not heard or acted on

PRIORITY: N/A

FEBRUARY 10, 2011 - THURSDAY

ASSEMBLY BUDGET SUBCOMMITTEE #5 ON PUBLIC SAFETY

Meets Upon Adjournment of Assembly Floor Session – State Capitol – Room 127

Budget Items To Be Heard:

Includes Judicial Branch, Office of Emergency Services (Budget Item 0690)

CDCAN COMMENT: *Office of Emergency Services has direct impact on people with disabilities, mental health needs, the blind and seniors*

PRIORITY: Important

*****FEBRUARY 10, 2011 - THURSDAY**

*****SENATE BUDGET SUBCOMMITTEE #3 ON HEALTH AND HUMAN SERVICES**

09:30 AM or upon Adjournment of Senate Floor Session – State Capitol – Room 4203 (Senate usually convenes its Thursday floor session at 9 AM for about 30-40 minutes)

Budget Items To Be Heard:

- *****Department of Developmental Services (Budget Item 4300) [regional centers/community based services and developmental centers]**

- Open Issues: health related budget issues

CDCAN COMMENT: *Budget subcommittee staff is estimating that the length of this hearing will be about 4 hours. Governor is proposing over \$750 million in cuts in State general fund spending to developmental services – the bulk that is likely to come out of community-based services (regional centers) in order to control caseload growth and the costs of providing services. About \$200 million of the reduction will come from new federal funds, and also some fund shifts. Governor proposes extending the existing 4.25% reduction in payments to most regional center providers and to regional center operations for at least another year (June 30, 2012), though the reduction amount in general fund spending in developmental services is considered permanent. The remaining reduction will be achieved, the Governor proposes, but yet unspecified provisions dealing with implementing a statewide “purchase of services” standards, and measures relating to accountability, oversight, transparency. However all those provisions are meant to cut spending in the developmental services budget – not increase it. The Assembly Budget Subcommittee is holding its hearing on these issues on February 3.*

CDCAN ACTION ALERT: **YES** – will be issued this week to urge people to attend this hearing and testify – and for meeting or rally to be announced

PRIORITY: **VERY HIGH**

FEBRUARY 10, 2011 - THURSDAY

SENATE BUDGET SUBCOMMITTEE #2 ON EDUCATION

10:00 AM or upon Adjournment of Senate Floor Session – State Capitol – Room 3191 (Senate usually convenes its Thursday floor session at 9 AM for about 30-40 minutes)

Budget Items To Be Heard: California Postsecondary Education Commission (Budget Item 6420), Hastings College of Law (Budget Item 6600) and California Student Aid Commission (Budget Item 7980)

PRIORITY: N/A

FEBRUARY 14, 2011 – MONDAY

ASSEMBLY BUDGET SUBCOMMITTEE #6 ON BUDGET OVERSIGHT AND PROGRAM EVALUATION

Meets upon adjournment of Assembly floor session – State Capitol – Room 444

Informational Hearing – Subject:

- Governor’s Realignment Proposal

CDCAN COMMENT: *This subcommittee is also scheduled to hold a informational hearing in Los Angeles on February 4th.*

PRIORITY: Important

*****FEBRUARY 18, 2011 – FRIDAY*******ASSEMBLY BUDGET COMMITTEE**

Meets upon adjournment of Assembly floor session – State Capitol – Room 4202

- *****Governor's 2011-2012 State Budget proposal**

CDCAN COMMENT: *This appears likely to be the final budget hearing by the Assembly before the full Assembly takes final action on the Governor's 2011-2012 State Budget proposal. It is not certain whether budget items held "open" at the previous subcommittee hearings – such as Medi-Cal, IHSS, regional centers – will be closed with final action at this hearing or if those issues would have been acted on at an earlier subcommittee hearing before this date. It is possible that some or all of those controversial proposals are decided after this hearing before a budget plan and budget related bills are taken up for a vote on the Assembly floor. In any case, this hearing by the full Assembly Budget Committee will give some idea where the Assembly – controlled by Democrats – are headed regarding the Governor's proposed spending cuts and revenue proposals.*

PRIORITY: **VERY HIGH**

FEBRUARY 22, 2011 – TUESDAY

**JOINT HEARING – ASSEMBLY AGING AND LONG TERM CARE COMMITTEE AND
ASSEMBLY PUBLIC SAFETY COMMITTEE**

09:30 AM – State Capitol – Room 126

Informational Hearing – Subject:

"From Financial Scams to Surveillance Cams: A Spotlight on Elder and Adult Abuse"

CDCAN COMMENT: *Though not a budget subcommittee hearing – the issue of oversight is linked to several budget related issues, including proposed realignment (shifting) of adult protective services – and budget reductions in other areas that impact seniors and people with disabilities living at home and living in health facilities and other out of home placement settings. Assembly Aging and Long Term Care Committee is chaired by Assemblymember Mariko Yamada (Democrat – Davis) and the Assembly Public Safety Committee is chaired by Assemblymember Tom Ammiano (Democrat – San Francisco).*

PRIORITY: **VERY HIGH**

VERY URGENT!!!!

PLEASE HELP CDCAN CONTINUE ITS WORK!!!

JANUARY 30, 2011 – YOUR HELP IS NEEDED



CDCAN Townhall Telemeetings, reports and alerts and other activities cannot continue without your help. To continue the CDCAN website, the CDCAN News Reports. sent out and read by over 55,000 people and organizations, policy makers and media across California and to continue the CDCAN Townhall Telemeetings which since December 2003 have connected thousands of people with disabilities, seniors, mental health needs, people with MS and other disorders, people with traumatic brain and other injuries to public policy makers, legislators, and issues.

Please send your contribution/donation (make payable to "CDCAN" or "California Disability Community Action Network):

CDCAN

1225 8th Street Suite 480 - Sacramento, CA 95814

paypal on the CDCAN site is not yet working – will be soon.

MANY, MANY THANKS TO CALIFORNIA ASSOCIATION OF ADULT DAY HEALTH CENTERS, VENTURA COUNTY AUTISM SOCIETY, RESPITE, INC., LOS ANGELES RESIDENTIAL COMMUNITY SERVING

DEVELOPMENTALLY DISABLED ADULTS LARC RANCH, FEAT OF SACRAMENTO, EASTER SEALS OF SOUTHERN CALIFORNIA, EMMANUEL AND FAMILY, MICHAEL DIMMITT, PEOPLE FIRST OF SAN LUIS OBISPO, BOB BENSON, the Pacific Homecare Services, Toward Maximum Independence, Inc (TMI), Friends of Children with Special Needs, Southside Arts Center, San Francisco Bay Area Autism Society of America, Hope Services in San Jose, FEAT of Sacramento (Families for Early Autism Treatment), Sacramento Gray Panthers, Bill Wong, Tri-Counties Regional Center, Life Steps, Parents Helping Parents, Work Training, Foothill Autism Alliance, Arc Contra Costa, Pause4Kids, Training Toward Self Reliance, Californians for Disability Rights, Inc (CDR) including CDR chapters, CHANCE Inc, Strategies To Empower People (STEP), Harbor Regional Center, Asian American parents groups, Resources for Independent Living and many other Independent Living Centers, several regional centers, People First chapters, IHSS workers, other self advocacy and family support groups, developmental center families, adoption assistance program families and children, and others across California.



[Home](#)
[Contact Us](#)
[Provider Directory](#)
[Staff Access](#)
[Budget Watch](#)

Font size:

[Home](#)

[About TCRC](#)

[Applying for Services](#)

[Services & Supports](#)

[Family Resource Centers](#)

[Service Providers](#)

[TCADD Board of Directors](#)

[Resources](#)

[Job Opportunities](#)

[News](#)

[Events](#)

[Hot Topics](#)

[Calendar](#)

[Press Releases](#)

[Health News](#)

[Health Information](#)

[Tri-Line Newsletter](#)

[Budget Watch](#)

Budget Crisis Action Alert from Tri-Counties Regional Center

Developmental Services is facing its most serious threat in a very long time. Governor Brown's budget proposal to cut developmental services by \$750 million is too big and could hurt many persons with developmental disabilities and their families.

Following are links to important budget-related news and web sites, as well as a summary of proposed 2011-12 budget changes, and current fiscal year reductions and changes that will continue in the 2011-12 fiscal year beginning July 1, 2011.

Important Web Sites

- Governor Brown's Web site has posted a press release regarding his Budget proposal: <http://gov.ca.gov/index.php>
- The Department of Developmental Services (DDS) has posted a summary of the Budget for developmental services on their Web site at: www.dds.ca.gov/Budget/Home.cfm
- The budget, in full, has been posted online at: www.ebudget.ca.gov
- Association of Regional Center Agencies Budget Alerts: www.arcenet.org
ARCA has issued a position statement on the Governor's Budget Proposal for Developmental Services and a Phased Action Response plan. This links to a page showing how community members can help the regional center system.
- California Disability Community Action Network (CDCAN) operated by Marty Omoto publishes regular updates on all matters related to health and human services including developmental services. There is no cost to sign up for the email updates, however, CDCAN does accept donations. Join the CDCAN list at: http://www.cdcan.us/join/join_cdcan.htm
- ARC of California budget alert, click Here. The ARC of California web site: <http://www.thearca.org/index.html>
- Disability Rights California press release on the Governor's budget proposal: <http://www.disabilityrightsca.org/news/releases.htm>

Legislative Analyst's Office Budget Overview for Developmental Services: "Major Reductions in Regional Center (RC) Programs."

The governor's budget plan proposes to achieve \$750 million in General Fund savings in DDS. About \$125 million of the savings will come from alternative funding sources, such as the continuation of \$50 million in funding from Proposition 10 and three separate proposals to draw down a combined total of \$75 million in federal funds. Another \$92 million in savings would come from the continuation of a 4.25 percent reduction to regional center operations and provider payments. The remaining \$533 million in savings would be achieved by a proposal described as increasing the accountability and transparency for the use of state funds for the administrative expenditures of regional center and service providers and through the implementation of statewide service standards. The statewide standards would set guidelines to promote consistency in the array of services provided by regional centers and would be developed with input from stakeholders."

Summary of Proposed Changes to Developmental Services in Governor's 2011-12 Budget

- Continue temporary regional center and service provider payment reductions of 4.25 percent.
- Continue Proposition 10 funding of \$50 million for birth to 5 services.
- Increase accountability and transparency – "set parameters on use of state funds for administrative expenditures of regional centers and service providers, increase auditing requirements, increase disclosure requirements, and maximize recoveries from responsible parties."
- Increase federal funds – by "expanding the pending 1915(i) State

search...



Recent Articles

CA DDS - Service Standards Survey

DDS asks stakeholders to share ideas on service standards.

[Read more...](#)

TCADD Procurement Policy

The TCADD policy on Procurement of Services and Supports

[Read more...](#)

National Task Group on Intellectual Disabilities and Dementia Practices

National Task Group on Intellectual Disabilities and Dementia Practices Forming

[Read more...](#)

English
 Spanish

More Languages

Plan amendment to include additional [clients] and related expenditures consistent with federal health care reform, maximizing 'Money Follows the Person' funding for individuals placed out of institutions, and pursuing other enhanced federal funding opportunities."

- Implement statewide service standards – "set parameters and promote consistency in the array of services available through the regional centers....DDS will consider eligibility for the service, duration, frequency and efficacy of the service, qualification of service providers, service rates, and parental and [client] responsibilities."

2010-11 Budget Act

Regional Centers and our service providers have received a total payment reduction of 4.25 percent, effective July 1, 2010 to June 30, 2011. The Department of Developmental Services has provided specific instructions to the regional centers for implementing the payment reductions to service providers.

Other changes included in the Budget Act include:

- The Welfare and Institutions Code has been changed to allow planned closure of Lanterman Developmental Center to proceed.
- In Home Supportive Services will have a 3.6 percent reduction to service hours for IHSS recipients – "commencing 90 days after the enactment (10/08/10) of the bill through the 2011-12 fiscal year, after which the recipient's authorized service hours would be restored as specified."
- \$133 million in funding of "AB3632" funding of mental health services for children in special education has been eliminated, effectively suspending that program.

Budget Act requirements made in the 2009-10 fiscal year that are carrying over into the current budget include changes to the Uniform Holiday schedule, respite services, transportation services, and Early Start eligibility and services; suspension of funding for services such as camp and social recreation services; prohibition of funding for services considered experimental in nature; prohibition of funding for services provided by public agencies such as Medi-Cal, IHSS, public schools, CCS, etc.

DDS Process for Identifying Statewide Service Standards

The process DDS will be using to develop proposed statewide service standards will be outlined in draft budget related legislative language, referred to as "Trailer Bill" language due to be released soon. DDS has indicated they will involve stakeholders in helping to develop the draft statewide standards in the following general ways:

- **Online Survey** - DDS will soon release an on-line survey on their website (www.dds.ca.gov) referred to as a "Survey Monkey" that will be anonymous and open to everyone to provide input about the content of the Statewide Service Standards. The Survey will be divided into major categories of programs under the Purchase of Services budget and within those categories there will be questions that respondents can choose to answer.
- **Workgroups** - Using the input from the on-line survey, DDS will convene 8 workgroups consisting of about 30-35 people per workgroup to develop ideas and recommendations for draft Statewide Services Standards.
- **Public Forums** - DDS will hold a series of public forums to receive public comment on the draft Statewide Service Standards.
- **Legislative Hearings** - The Legislature will likely hold key hearings on the proposed Statewide Service Standards.

How Can You Get Involved?

- Stay informed by checking this page and subscribing to the CDCAN email list for regular updates.
- Write, email, call or visit your legislator and tell them that the cuts are too big and share with them in your own words how the proposed cuts will directly hurt you and your family. Click here for a list of legislators in the TCRC area. You may use ARCA's Phased Action Response Plan and How Community Members Can Help to help you with your advocacy.
- Complete the upcoming online DDS survey to share your ideas

about the proposed Statewide Service Standards. Check the DDS web site for the coming survey.

- Attend and provide input at the upcoming DDS public forums on Statewide Service Standards. Dates and locations will be posted on the TCRC website once available.
- Attend upcoming legislative hearings to testify.

Assembly Budget Subcommittee on Health and Human Services
9:30 a.m., February 3, 2010, Room 4202, State Capitol, Sacramento

Senate Budget Subcommittee on Health and Human Services
9:30 a.m., February 10, 2010, Room 4203, State Capitol, Sacramento

< Prev

User Rating: ○○○○○ / 0
Poor ○ ○ ○ ○ ● Best

[Legal Notice](#) | [Privacy](#) | [Accessibility Statement](#)

© 2011 Tri-Counties Regional Center. Enhancing the Quality of Life for People With Developmental Disabilities