TRI-COUNTIES REGIONAL CENTER
EXECUTIVE DIRECTOR REPORT
May 5, 2012

I. FY 2011-2012 & FY 2012-2013 BUDGET UPDATE

- **Attachment #1:** Department of Developmental Services 2012 – 2013 Governor's Budget Highlights
- **Attachment #2:** ARCA Analysis of the November Estimate for FY 2012 – 2013 Regional Center Budget
- **Attachment #3:** ARCA Position Statement – Governor's Proposed Budget for Fiscal Year 2012-2013
- **Attachment #4:** DDS 2012-2013 Budget Stakeholder Process
- **Attachment #5:** DDS Budget Stakeholder Meeting Agenda and Meeting Notes – Fresno
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Governor Brown released his official proposed FY 2012-2013 State Budget plan on January 5, 2012. The budget proposal attempts to close a projected $9.2 billion budget deficit for the new fiscal year that starts July, 1, 2012. The Governor has proposed $4 billion in additional spending reductions and approximately $7 billion in new revenues from temporary tax increases on the State's wealthiest tax payers and a one-half percent increase in the State's sales tax to be decided by voters in November, 2012 through a ballot initiative. If voters reject his ballot initiative, the Governor's proposed FY 2012-2013 State Budget includes approximately $5.4 billion in additional automatic mid-year "trigger cut" reductions. <u>The trigger cut reductions do not include any Health and Human Services budget areas</u>. The following budget areas will be impacted by the November, 2012 trigger cut reductions:

- K-12 Education and Community Colleges - $4.8 billion reduction
- University of California - $200 million reduction
- California State University - $200 million reduction
- Courts - $125 million reduction

- Department of Forestry and Fire Protection - $15 million reduction
- Flood Control - $6.6 million reduction
- Fish and Game - $2.5 million reduction
- Park Rangers - $1 million reduction
- Park Lifeguards - $1 million reduction
- Department of Justice - $ 1 million reduction

The Governor's proposed budget has called for $2 billion of the $4 billion in reductions to come from numerous Health and Human Services programs including CalWORKS and Child Care, Medi-Cal, In-Home Supportive Services, and Developmental Services that consists of Regional Centers and Developmental Centers.

The total budget for the Department of Developmental Services proposed for FY 2012-2013 is $4.661 billion to serve a projected caseload of 256,059 individuals with developmental disabilities served by the Regional Centers (an increase of 2.5% over the FY 2011-2012 enacted budget) and 1759 individuals with developmental disabilities served by the Developmental Centers (a decrease of 12% over the FY 2011-2012 enacted budget). The budget proposed for Regional Centers in FY 2012-2013 is $4.063 billion and the budget proposed for Developmental Centers in FY 2012-2013 is $559 million.

For Regional Centers, the Governor's budget for FY 2012-2013 proposes an increase of $162.7 million in caseload funding increase (6,232 additional people are projected to be served by Regional Center in FY 2012-2013), $9 million increase for Financial Management Services required by the Federal Government for certain services, an increase of $158.2 million to reflect the restoration of the 4.25% payment reduction for Regional Center operations and service providers scheduled to sunset June 30, 2012 and a net decrease of $200 million in trigger reduction ($100 million mid-year trigger reduction from FY 2011-2012 annualized to $200 million trigger reduction for FY 2012-2013). DDS has completed a stakeholder process to gather ideas about how to achieve the $200 million trigger reduction that may include extension of all or part of the 4.25% payment reduction, savings generated due to SB 946 (Steinberg) health insurance mandate bill, strategies to decrease admission to Developmental Centers, opportunities to achieve efficiencies through emerging technologies, and other savings proposals. DDS will be submitting its recommendations to the Legislature in the near future. Two TCADD Board members participated in two separate stakeholder meetings to provide input on behalf of the TCADD Board of Directors and the TCRC community **(Attachments #1-#6)**.

The next significant steps in the budget process will be the release of the Governor's May Revise Budget Proposal due to be out around the middle of May followed by numerous budget subcommittee and committee hearings held in the

Assembly and the Senate. The dates for these budget hearings have not yet been scheduled **(Attachment #7)**.

TCRC advocates are encouraged to sign and mail letters in support of the Regional Centers' budget in advance of upcoming hearings, especially to allow the 4.25% rate reduction to the Regional Center operations and service providers to sunset effective July, 1, 2012 **(Attachment #8)**.

Tri-Counties Regional Center (TCRC) has 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 in an effort to keep the TCRC community informed of ongoing budget related developments.

II. CASH FLOW UPDATE

TCRC has a secured a revolving credit line with Union Bank in the amount of $32.9 mil. This revolving credit line is intended to pay for services provided in FY 2011-2012 in the event funding from DDS is delayed. At present TCRC has enough cash on hand to continue business as usual until June 18, 2012 after which TCRC would need to either receive additional payments from DDS or access the revolving line of credit in order to be able to continue operating.

For FY 2012-2013, we have so far been unable to secure a seasonal line of credit with Union Bank. The seasonal line of credit is necessary to assist with regional center cash flow challenges created by possible delays in the Legislature and Governor approving a state budget for the new fiscal year. TCRC is continuing discussions with Union Bank and exploring other banking options to try to secure the necessary seasonal line of credit for FY 2012-2013 in the event of a delay in the passage of an on time budget.

In the event TCRC runs out of cash and is not able to borrow money to continue operating, a 30 day written notice will be provided to all TCRC service providers as required by law. As in past years, we are strongly encouraging TCRC service providers to make efforts to secure their own lines of credit with their banks.

We are hopeful that cash flow delays will not materialize to our worst case projection and believe resolution will occur through a combination of additional payments from DDS and through obtaining a seasonal line of credit through a bank.

III. SUPPORTED LIVING SERVICES GUIDELINES IMPLEMENTATION PLAN UPDATE

Over the last ten months, Tri-Counties Regional Center (TCRC) has embarked on a process to review the delivery of Supported Living Services (SLS) to adults served by TCRC. This process resulted in the development of the TCRC Supported Living Services Guidelines which was approved by the TCADD Board of Directors on February 18, 2012. The development of the Supported Living Services Guidelines is necessary due to recent changes in the law (Trailer Bill Language changes from 2009 and 2011), the necessity to align TCRC's SLS practices with Title 17 Regulations and with the TCADD SLS Policy, as well as due to funding reductions to TCRC's budget by the State based on the State's use of a new Allocation Methodology.

TCRC has developed a comprehensive SLS Guidelines implementation plan and is currently in the process of working with stakeholders to implement the plan. This plan consists of the following action items:

1. All information shared with the public at the February 18, 2012 Special Board Session will be posted on TCRC's website. Status: **DONE.**

2. Omar Noorzad, TCRC Executive Director and the TCRC Directors to host a debriefing meeting with SLS Providers (agency SLS only) on **Wednesday, February 22, 2012 from 12:00-2:00**. Keeping the continued concerns of the SLS providers in mind, the purpose of the meeting is to debrief the decision of the TCADD Board to approve the SLS Guidelines, review and discuss a plan for the implementation of the SLS Guidelines, discuss the next steps for negotiating and finalizing SLS provider contracts, and obtain input about the structure of quarterly meetings for the remainder of the year to monitor the implementation of the SLS Guidelines. Status: **DONE.**

   Additional follow-up meetings with the SLS providers: **Wednesday, February 29 from 12:00-2:00 and Monday March 12 from 12:00-2:00.** Status: **DONE.**

3. Omar Noorzad, TCRC Executive Director and TCRC Directors to host a debriefing meeting with Parent/Family SLS providers on **Wednesday, March 7, 2012 from 11:00-1:00**. The purpose of this meeting is to debrief with the Parent/Family SLS providers, discuss how the SLS Guidelines apply to these unique service arrangements and to answer questions. Status: **DONE.**

4. Quarterly SLS Provider meetings to be scheduled – **tentatively for early April, July, October and January**, 2012. To be discussed and finalized with

SLS Providers. Status: **QUARTERLY MEETINGS SCHEDULED TO OCCUR AS PLANNED.**

5. Letter sent by TCRC to all persons receiving SLS (~700), their families and their conservators (if applicable) that explains the SLS Guidelines, provides a person-served friendly version of the SLS Guidelines, and includes information on frequently asked questions about the SLS Guidelines. The letter invites people to join one of six special Town Hall meetings learn more about TCRC's SLS Guidelines, answer questions and discuss next steps. Staus: **DONE.**

6. Conduct a special Town Hall meetings in each of TCRC's office locations to further explain the SLS Guidelines, answer questions and discuss next steps. The schedule of the Special Town Hall meetings is as follows:

   - **March 5th (Monday) – Santa Barbara**
   - **March 6th (Tuesday) – Oxnard**
   - **March 13th (Tuesday) – Atascadero**
   - **March 19th (Monday) – Simi Valley**
   - **March 26th (Monday) – San Luis Obispo**
   - **March 29th (Thursday) – Santa Maria**

   All meetings to be held at TCRC's local offices from **5:30 – 7:30 pm.** Status: **DONE.**

7. Revise the training module for TCRC's Service Coordinators to reflect the most updated SLS Guidelines language. Train TCRC managers to ensure implementation is consistent agency-wide. Status: **DONE.**

8. Conduct training for TCRC's SLS Providers. Timing to be discussed at the SLS Provider debrief meeting on **February 22nd and/or the Vendor Advisory Meeting on March 1st**. Status: **DONE.**

9. Conduct individual meetings with SLS Providers to discuss contract terms and rates, and review cost data. Status: **TCRC HAS MET WITH 16 OUT OF 22 SLS VENDORS FOR CONTRACT NEGOTIATIONS. 12 SLS VENDORS HAVE REACHED FINAL AGREEMENT WITH TCRC AND HAVE SIGNED THEIR CONTRACTS. THE PLAN IS TO CONCLUDE CONTRACT NEGOTIATIONS BY THE MIDDLE OF MAY.**

10. The TCADD Board of Directors' People's Advisory Committee (PAC) with the assistance of staff and consultation by Stephen Day, former TCRC Supervisor of Peer Advocacy, will develop a pictorial based person-served

friendly pamphlet describing the content of the SLS Guidelines. This pamphlet will be used at the time of each individual's IPP meeting to help the person served TCRC to better understand the SLS Guidelines. Status: **FIRST DRAFT HAS BEEN DEVELOPED FOR COMMITTEE REVIEW.**

11. Community and Program Based Client Councils will include a segment on their future agendas to educate persons served about the SLS Guidelines and answer questions. TCRC's Peer Advocacy staff will provide assistance as needed. Status: **CONTINUING TO TAKE PLACE.**

TCRC has also been in contact with DDS regarding a review of the TCRC Guidelines based on concerns raised through the California Supported Living Services Network (CSLN), a supported living services vendor association, as well as some potential concerns raised by the Disability Rights California seeking further clarification about the TCRC SLS Guidelines. TCRC has provided additional information to DDS on the SLS Guidelines and will review any input received from DDS. This information will be shared with the TCADD Board of Directors for review and consideration.

IV. THE WAY FORWARD INITIATIVE

The Southern California Conference of Regional Center Directors (SCCRCD) have initiated a dialogue among member Regional Center Executive Directors, Board Presidents and Association of Regional Center Agencies (ARCA) Board delegates on the future direction of the community based developmental disabilities service system. Two Northern California regional centers, Golden Gate Regional Center and Alta Regional Center, have also joined the SCCRCD with this effort.

Numerous external forces including chronic and recurring budget reductions have imposed dozens of new changes through Trailer Bills since 2009 impacting every provision of service offered by regional centers. As the gap between expectations and financial support widens accompanied with continued "tinkering" with the system, it appears that the community based services system may be on the wrong path not only unable to effectively address budgetary challenges, but may also result in a system that is unable to carry out its mission of meeting the needs of persons with developmental disabilities and their families as outlined in the Lanterman Act. Regional centers must be willing to take risks, hear the critics, and be open to change and innovation while all stakeholders must recognize the limitations on public funds and the implications of these limitations on provision of services.

In an attempt to respond proactively and more strategically to these pressures, the SCCRCD is working on developing a strategy aimed at developing consensus on the way forward for the system. This effort seeks to engage in an honest self reflection within a formal process that involves all stakeholders of the regional center system including persons served by the regional centers, families, service providers, advocates, regional center staff and boards, Department of Developmental Services (DDS) and policy makers. The SCCRCD has appointed a subgroup consisting of Diane Anand of FDLRC, Pat Del Monico of HRC, George Stevens of NLACRC, Phil Bonnet of ACRC, Jim Shorter of GGRC and Omar Noorzad of TCRC to recommend a strategy for collecting input from stakeholders regarding changes that could be made to the developmental services system that would help its sustainability and effectiveness into the future.

The SCCRCD subgroup has met several times in the last several months and has identified functional components of the system that can be used as the primary framework for gathering input. These include components related to services, administration, and the system. These components are being used to develop a survey to gather input from stakeholders which will then be used by the SCCRCD to develop a set of recommendations to guide the system into the future. It is anticipated that the survey will be administered in the near future followed soon thereafter with a set of recommendations for change presented in the form of a "White Paper". A draft copy of the survey is available if any TCADD Board member would like to review it. Once the survey questions are finalized, we will make it available for public distribution. The next meeting of the Steering Committee of the Way Forward group is scheduled to take place on May 10, 2012 at Harbor Regional Center and the next full meeting of the Way Forward group is scheduled to take place on June 11, 2012 at Harbor Regional Center.

V. <u>Q&A</u>

Attachment #1

Department of Developmental Services

2012-13 Governor's 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 5, 2012

DEPARTMENT OF DEVELOPMENTAL SERVICES
2012-13 GOVERNOR'S 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 approximately 258,000 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 Fiscal Year (FY) 2012-13 is $4.7 billion ($2.7 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 smaller 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 estimated to increase in 2012-13 to 256,000, an increase of 2.5 percent over the FY 2011-12 enacted budget. The number of consumers living in state-operated residential facilities is estimated to decrease by the end of 2012-13 to 1,438, a decrease of 12 percent over the FY 2011-12 enacted budget.

The Governor's Budget proposes additional FY 2011-12 reductions of $157.2 million total funds ($131 million GF) compared to the FY 2011-12 enacted budget. This includes a $100 million GF reduction due to the revenue triggers in the FY 2011-12 enacted budget. Assembly Bill (AB) 121 authorized the Department of Finance to reduce up to $100 million GF from the Department's budget if State revenues were insufficient. Senate Bill (SB) 73 directs the Department to consider a variety of strategies including savings attributable to caseload and expenditure adjustments, unexpended contract funds, or other administrative savings to meet the target. For FY 2011-12, the Department will look to achieve these savings within the statutory authority provided by SB 73.

For FY 2012-13, the Governor's Budget proposes an increase of $61.2 million ($41.5 million GF) over the enacted budget, which represents an increase of $218 million ($172.5 million GF) over the revised current year budget. This increase primarily reflects the expiration of a 4.25 percent payment reduction in regional centers, increases due to regional center caseload changes and the full year impact of the AB 121 revenue trigger reduction. Stakeholders will be convened to provide input on how to achieve the required FY 2012-13 revenue trigger savings of $200 million GF in the Developmental Services system. Consideration will be given to the extension of all or part of the 4.25 percent payment reduction, strategies to decrease the need for admissions from the community into State Developmental Centers, opportunities to achieve efficiencies through emerging technologies, reduced expenditures associated with recently enacted legislation and other savings proposals. Specific information regarding the stakeholder process will be released soon.

COMMUNITY SERVICES PROGRAM

2011-12

To provide services and support to approximately 250,000 persons with developmental disabilities in the community, the Governor's Budget updates FY 2011-12 funding to $3.8 billion total funds ($2.2 billion GF). This represents a decrease of $146.1 million total funds ($126.4 million GF) over the FY 2011-12 enacted budget for regional center operations (OPS) and purchase of services (POS):

Caseload and Utilization

$2.2 million increase ($5.9 million GF) in regional center OPS and POS based on the most updated caseload, utilization, and reimbursement data.

Administrative Fees

$0.6 million decrease ($0.3 million GF) in regional center OPS for ICF-DD SPA Administrative Fees to reflect updated expenditures.

Quality Assurance Fees (QAF)

$0.7 million decrease ($0.0 million GF) transfer of funds from DHCS to reflect updated expenditures for day treatment and transportation costs of ICF-DD residents.

Impacts from Other Departments

$47.0 million decrease ($32.0 million GF) to reflect revised implementation dates for the elimination of Adult Day Healthcare Care (ADHC) program and implementation of Medi-Cal Caps and Co-pays.

Revenue Trigger Reduction

$100.0 million GF decrease to reflect trigger reductions to be achieved system wide through a variety of strategies including savings attributable to caseload and expenditure adjustments, unexpended contract funds, or other administrative savings within the statutory authority provided by SB 73.

2012-13

The Governor's Budget projects the total community caseload of approximately 256,000 and assumes an increase of 6,232 consumers or 2.5 percent over the FY 2011-12 enacted budget. The Governor's Budget proposes an increase of $79.3 million TF ($54.5 million GF) over the enacted budget, which represents an increase of $225.3 million ($180.9 million GF) over the revised current year budget, due to updated reimbursements as well as expenditure and utilization change estimates. The regional center budget changes include:

Caseload and Utilization

$162.7 million increase ($115.2 million GF) in regional center OPS and POS due to updated caseload and utilization change.

Administrative and Quality Assurance Fees (QAF)

$0.6 million decrease ($0.3 million GF) ICF-DD SPA Administration Fees and QAF to reflect updated expenditures for day treatment and transportation costs of ICF-DD residents.

Impacts from Other Departments

$18.9 million decrease ($2.8 million GF) to reflect revised implementation dates for the elimination of ADHC and implementation of Medi-Cal Caps and Co-Pays.

Expiration of a 4.25 percent Payment Reduction

$158.2 million increase ($108.4 million GF) to reflect the restoration of the 4.25 percent payment reduction for regional center operations and service providers scheduled to sunset June 30, 2012.

Financial Management Services (FMS) for Participant-Directed Services

$9.0 million increase ($4.5 million GF) to reflect updated assumptions related to rates for FMS to account for tiered rates and 100 percent of consumers using participant directed option for certain services being covered. In addition, community based training services were added.

Annualized Cost Savings Proposals

$31.1 million decrease ($20.5 million GF) to reflect full year implementation of the savings proposals adopted in the FY 2011-12 enacted budget.

California First Five Commission

An increase of $50.0 million GF to reflect a shift of funds from California First Five Commission to the General Fund for costs associated with services to children ages zero to five.

COMMUNITY SERVICES PROGRAM (cont'd)

Revenue Trigger Reduction

Stakeholders will be convened to provide input on how to achieve the required FY 2012-13 revenue trigger savings of $200 million GF in the Developmental Services system. Consideration will be given to the extension of all or part of the 4.25 percent payment reduction, strategies to decrease the need for admissions from the community into State Developmental Centers, opportunities to achieve efficiencies through emerging technologies, reduced expenditures associated with recently enacted legislation and other savings proposals.

DEVELOPMENTAL CENTERS PROGRAM

2011-12

To provide services and support for 1,759 residents (average in-center population) in developmental centers the Governor's Budget updates 2011-12 funding to $569 million ($293.4 million GF), a decrease of $8.1 million ($3.0 million GF) over the FY 2011-12 enacted budget. Authorized positions remain at 5,570.5. The developmental center budget changes are:

- Net Decrease of $5.2 million ($2.6 million GF) due to state wide Control Sections that drove adjustments in retirement and health benefits rates, and personal services cost reductions achieved through collective bargaining or actions of the Administration in employee compensation;
- Decrease of $3.0 million ($2.5 million GF) due to updated Quality Assurance Fees paid by Developmental Centers;
- Increase of $0.0 million ($2.2 million GF – Fund Shift) due to a two month delay in conducting the CMS survey for certification of a portion of the Porterville Secure Treatment Program; and
- Increase of $0.1 million ($0.1 million GF) for miscellaneous adjustments, including cell phone reductions as part of state wide efficiencies and funding changes.

2012-13

For 2012-13, the Governor's Budget provides services and supports for 1,533 residents (average in-center population) in developmental centers, a decrease of 12.8 percent or 226 residents. Funding declines to $559.2 million ($283.6 million GF), a decrease of $18 million ($12.8 million GF) over the FY 2011-12 enacted budget. Authorized positions are reduced by 317.5 to 5,253.0. The developmental center budget has been

DEVELOPMENTAL CENTERS PROGRAM (cont'd)

reduced through updated population estimates as well as adjustments due to state wide control sections. In addition, the budget assumes continued closure of Lanterman Developmental Center. The developmental center budget changes are:

- Decrease of $24.5 million ($14.4 million GF) for Level of Care and Non-Level of Care updated staffing. A portion of the staffing updates are counted towards the Administration's state wide operational efficiencies savings plan [Control Section 3.91(b) reductions];

- Net Increase of $4.5 million ($2.7 million GF) due to state wide Control Sections that drove adjustments in retirement and health benefits rates;

- Decrease of $3.0 million ($2.5 million GF) due to updated Quality Assurance Fees paid by Developmental Centers;

- Increase of $2.9 million ($1.6 million GF) to retain 28 positions for enhanced Lanterman Closure staffing. These staff ensure the continued safe and successful transition of residents and continuation of all closure related activities in support of approximately 180 residents transitioning to community living arrangements between FY 2011-12 and FY 2012-13;

- Increase of $2.4 million in reimbursement authority for the State Staff in the Community program; and,

- Decrease of $0.4 million ($0.2 million GF) for miscellaneous reductions, including cell phone reductions as part of state wide efficiencies and funding changes.

CAPITAL OUTLAY

The Governor's Budget does not include any new Capital Outlay requests.

HEADQUARTERS

2011-12

The Department has internally redirected staff and resources to achieve the implementation of the previously discussed system wide budget reductions. In support of the Community Services and Developmental Center Programs, the Governor's Budget updates the FY 2011-12 funding for headquarters operations to $35.6 million ($23 million GF), a decrease of $3.0 million ($1.6 million GF) compared to the FY 2011-12 enacted budget. The Headquarters budget changes are:

- Net Decrease of $2.8 million ($1.5 million GF) due to state wide Control Sections that drove adjustments in retirement and health benefits rates, and personal services cost reductions achieved through collective bargaining or actions of the

Administration in employee compensation and one time savings as part of the Administration's state wide operational efficiencies savings plan [Control Section 3.91(b)]; and,

- Decrease of $0.1 million ($0.1 million GF) due to state wide efficiencies that resulted in decreased building lease and cell phone costs.

2012-13

The Governor's Budget proposes headquarters operations funding for FY 2012-13 of $38.6 million ($24.6 million GF), a decrease of $0.1 million ($0.1 million GF) compared to the FY 2011-12 enacted budget. The Headquarters budget changes are:

- Net decrease of $0.3 million ($0.2 million GF) due to state wide Control Sections that drove adjustments in retirement and health benefits rates;

- Decrease of $0.1 million ($11.0 thousand GF) due to the elimination of one time operating expenses to shift Limited Term positions to Permanent positions; and,

- Net increase of $0.3 million ($0.1 GF) for miscellaneous adjustments including a technical budget adjustment to move costs for DOJ Legal Services from Developmental Centers into Headquarters and cell phone reduction for administrative efficiencies.

DEPARTMENT OF DEVELOPMENTAL SERVICES
2012-13 Governor's Budget

FUNDING SUMMARY
(Dollars in Thousands)

	2011-12	2012-13	Difference
BUDGET SUMMARY			
COMMUNITY SERVICES	$3,838,586	$4,063,943	$225,357
DEVELOPMENTAL CENTERS	569,041	559,196	-9,845
HEADQUARTERS SUPPORT	35,632	38,505	2,873
TOTALS, ALL PROGRAMS	**$4,443,259**	**$4,661,644**	**$218,385**
FUND SOURCES			
General Fund	$2,480,170	$2,652,715	$172,545
Reimbursements: Totals All	1,900,311	1,942,352	42,041
Medicaid (aka HCBS) Waiver	*938,472*	*1,003,702*	*65,230*
Medicaid (HCBS) Waiver Administration	*11,179*	*12,091*	*912*
Medicaid Administration (NHR)	*12,419*	*13,012*	*593*
Targeted Case Management	*131,912*	*139,061*	*7,149*
Targeted Case Management Admin.	*4,295*	*4,347*	*52*
Medi-Cal	*254,729*	*252,809*	*-1,920*
Title XX Block Grant	*225,060*	*225,060*	*0*
ICF-DD/State Plan Amendment	*48,338*	*51,509*	*3,171*
Quality Assurance Fees (DHCS)	*8,778*	*9,481*	*703*
Vocational Rehabilitation	*118*	*118*	*0*
California First Five Commission	*50,000*	*0*	*-50,000*
1915(i) State Plan Amendment	*171,002*	*183,362*	*12,360*
1915(k) Medicaid State Plan	*1,227*	*1,924*	*697*
Impacts from Other Departments FFP	*1,000*	*0*	*-1,000*
Money Follows the Person	*15,418*	*17,001*	*1,583*
Homeland Security Grant	*35*	*35*	*0*
Other	*26,329*	*28,840*	*2,511*
Federal Trust Fund	54,839	55,040	201
Lottery Education Fund	453	453	0
Program Development Fund (PDF)	6,203	9,805	3,602
Mental Health Services Fund	1,133	1,129	-4
Developmental Disabilities Svs Acct	150	150	0
AVERAGE CASELOAD			
Developmental Centers	1,759	1,533	-226
Regional Centers	249,827	256,059	6,232
AUTHORIZED POSITIONS			
Developmental Centers	5,570.5	5,253.0	-317.5
Headquarters	380.5	380.5	0.0

DEPARTMENT OF DEVELOPMENTAL SERVICES
2012-13 Governor's Budget

(Dollars In Thousands)

	2011-12	2012-13	Difference
Community Services Program			
Regional Centers	$3,838,586	$4,063,943	$225,357
Totals, Community Services	**$3,838,586**	**$4,063,943**	**$225,357**
General Fund	$2,163,696	$2,344,564	$180,868
Dev Disabilities PDF	5,926	9,523	3,597
Developmental Disabilities Svs Acct	150	150	0
Federal Trust Fund	51,986	51,986	0
Reimbursements	1,616,088	1,656,980	40,892
Mental Health Services Fund	740	740	0
Developmental Centers Program			
Personal Services	$456,668	$448,979	-$7,689
Operating Expense & Equipment	112,373	110,217	-2,156
Total, Developmental Centers	**$569,041**	**$559,196**	**-$9,845**
General Fund	$293,441	$283,642	-$9,799
Federal Trust Fund	524	524	0
Lottery Education Fund	453	453	0
Reimbursements	274,623	274,577	-46
Headquarters Support			
Personal Services	$30,835	$33,035	$2,200
Operating Expense & Equipment	4,797	5,470	673
Total, Headquarters Support	**$35,632**	**$38,505**	**$2,873**
General Fund	$23,033	$24,509	$1,476
Federal Trust Fund	2,329	2,530	201
PDF	277	282	5
Reimbursements	9,600	10,795	1,195
Mental Health Services Fund	393	389	-4
Totals, All Programs	**$4,443,259**	**$4,661,644**	**$218,385**
Total Funding			
General Fund	$2,480,170	$2,652,715	$172,545
Federal Trust Fund	54,839	55,040	201
Lottery Education Fund	453	453	0
Dev Disabilities PDF	6,203	9,805	3,602
Developmental Disabilities Svs Acct	150	150	0
Reimbursements	1,900,311	1,942,352	42,041
Mental Health Services Fund	1,133	1,129	-4
Caseloads			
Developmental Centers	1,759	1,533	-226
Regional Centers	249,827	256,059	6,232
Authorized Positions			
Developmental Centers	5,570.5	5,253.0	-317.5
Headquarters	380.5	380.5	0.0

Attachment #2

ASSOCIATION OF REGIONAL CENTER AGENCIES
ANALYSIS OF THE NOVEMBER ESTIMATE FOR FY 2012-13
REGIONAL CENTER BUDGET
JANUARY 9, 2012

Trigger Reduction

In FY 2011-12 there was a mid-year reduction to the Department of Developmental Services (DDS) budget in the amount of $100 million General Fund. This reduction increases to $200 million General Fund in FY 2012-13. Section 4792 was added to the Welfare and Institutions Code which states that the General Fund savings shall come "from within the overall developmental services system, including any savings or reductions within state administrative support, operation of the developmental centers, and operation of the regional centers, including administration and the purchase of services where applicable..."

Section 4792 further states: "A variety of strategies, including, but not limited to, savings attributable to caseload adjustments, changes in expenditure trends, unexpended contract funds, or other administrative savings or restructuring can be applied to this reduction with the intent of keeping reductions as far away as feasible from consumer's direct needs, services, and supports, including health, safety, and quality of life."

As of this date, how these reductions will be achieved has not yet been determined. The total amount of these reductions show as a reduction in the Regional Center budget even though, as indicated above, these reductions may also come from the DDS headquarters budget or the Development Center budget. Therefore, the following analysis excludes these reductions since the amount of reductions to either the RC Operations (OPS) or Purchase of Service (POS) budgets is unknown. However the reader should keep in mind that there will most likely be reductions to both the OPS and POS budgets in both FY 2011-12 and FY 2012-13. Additionally these reductions are General Fund reductions, therefore, depending on how and where the reductions are made, the total funds reduction may be greater.

Regional Center Operations (OPS)

<u>FY 2011-12</u>

In the current fiscal year, there is an increase of $3.7 million due to updated caseload numbers. The number of Status 1 (Early Start) and Status 2 (Active) consumers has increased by 1,952 to 248,100.

<u>FY 2012-13</u>

- The budget fiscal year assumes an increase of $9.2 million (1.8%) due to updated caseload numbers. It is assumed that the number of Status 1 and Status 2 consumers will increase by 7,959 consumers (3.2%) to 256,059.

- The 4.25% payment reduction will sunset on June 30, 2012. Consequently, $21.3 million is restored to the OPS budget.

- In FY 2012-13, OPS increases by 6.8% over the FY 2011-12 Enacted Budget, but only 6.02% over the revised FY 2011-12 OPS budget per the November Estimate. If the restoration of the 4.25% payment reduction savings is excluded, the OPS increase is only 2.6% over the FY 2011-12 Enacted Budget and 1.8% over the revised FY 2011-12 budget per the November Estimate.

Purchase of Service (POS)

FY 2011-12

- There is a net decrease to the POS budget of $2.8 million due to updated caseload and expenditure data.

- There is also a decrease of $47.0 million in the funds reserved for "Impacts from Other Departments". This is due to the delay in the State's implementation of reductions to Adult Day Health Care (ADHC) services. It was assumed that regional centers would pick up paying for these services for consumers in ADHCs.

FY 2012-13

- POS increases by $123.8 million (3.6%) due to updated caseload and expenditure data.
- There is a net increase to "Impacts from Other Departments" of $28.1 million due to planned reductions in Medi-Cal for enteral nutrition (tube feeding), hearing aid caps, and co-payments.
- There is an increase of $9.0 million for the amount needed for Financial Management Services for Participant Directed Services.
- Quality assurance fees for Intermediate Care Facilities (ICFs) increases by $655,000. This is associated with DDS billing Medi-Cal for day program and transportation services for ICF residents.
- The 4.25% payment reduction will sunset on June 30, 2012. Consequently, $135.8 million is restored to the POS budget.

- In FY 2012-13, POS increases by 7.2% over the FY 2011-12 Enacted Budget, and 8.7% over the revised FY 2011-12 POS budget per the November Estimate. If the restoration of the 4.25% payment reduction savings is excluded, the POS increase is only 3.0% over the FY 2011-12 Enacted Budget and 4.8% over the revised FY 2011-12 budget per the November Estimate.

Prevention

Funding for Prevention is reduced to $2.0 million for the contracts with the Family Resource Centers. There is no longer funding for regional center services to Prevention Program consumers.

ASSOCIATION OF REGIONAL CENTER AGENCIES
ANALYSIS OF NOVEMBER ESTIMATE FOR FY 2012-13 REGIONAL CENTER BUDGET
JANUARY 9, 2012

FY 2011-12 Adjustments	RC Operations	POS	Prevention	Trigger Reduction	Total
FY 2011-12 Enacted Budget	$502,751,000	$3,457,335,000	$4,503,000	$0	$3,964,589,000
Updated Caseload and Expenditure Data	$3,657,000	($2,767,000)	$0	$0	$890,000
Decrease in Impacts from Other Departments - Delay in Implementing Cuts to ADHC Services		($46,988,000)			($46,988,000)
Mid-Year Trigger Reduction				($100,000,000)	($100,000,000)
November Estimate for FY 2011-12	**$506,408,000**	**$3,407,580,000**	**$4,503,000**	**($100,000,000)**	**$3,818,491,000**

FY 2012-13 November Estimate					
Updated Caseload and Expenditure Data	$9,162,000	$123,813,000	($2,500,000)		$130,475,000
Increase in Impacts from Other Departments		$28,101,000			$28,101,000
Increase for FMS for Participant Directed Services		$8,964,000			$8,964,000
Increase in Quality Assurance Fees for ICFs		$655,000			$655,000
Subtotal - Before Restoration of 4.25% Payment Reduction Savings	*$515,570,000*	*$3,569,113,000*	*$2,003,000*	*($100,000,000)*	*$3,986,686,000*
Restoration of 4.25% Payment Reduction Savings	$21,348,000	$135,814,000			$157,162,000
Increase in Trigger Reductions				($100,000,000)	($100,000,000)
November Estimate for FY 2012-13	**$536,918,000**	**$3,704,927,000**	**$2,003,000**	**($200,000,000)**	**$4,043,848,000**

Increase Over Enacted Budget for FY 2011-12 *Before* Restoration of 4.25% Payment Reduction Savings

Amount	$12,819,000	$111,778,000	($2,500,000)	($100,000,000)	$22,097,000
Percent	2.55%	3.23%	-55.52%		0.56%

Increase Over Enacted Budget for FY 2011-12 *After* Restoration of 4.25% Payment Reduction Savings and Trigger Reduction Increase

Amount	$34,167,000	$247,592,000	($2,500,000)	($200,000,000)	$79,259,000
Percent	6.80%	7.16%	-55.52%		2.00%

Increase Over November Estimate for FY 2011-12 *Before* Restoration of 4.25% Payment Reduction Savings

Amount	$9,162,000	$161,533,000	($2,500,000)	$0	$168,195,000
Percent	1.81%	4.74%	-55.52%	0.00%	4.40%

Increase Over November Estimate for FY 2011-12 *After* Restoration of 4.25% Payment Reduction Savings and Trigger Reduction Increase

Amount	$30,510,000	$297,347,000	($2,500,000)	($100,000,000)	$225,357,000
Percent	6.02%	8.73%	-55.52%	100.00%	5.90%

Attachment #3

ARCA 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 2012-13

The following represents ARCA's positions regarding the proposals included in the Governor's proposed Budget for FY 2012-13.

Trigger Reduction

In FY 2011-12 there is a $100 million General Fund Trigger Reduction to the Department of Developmental Services (DDS) budget. This reduction increases to $200 million General Fund in FY 2012-13. At this time it is not known how these reductions will be allocated among the regional centers, DDS headquarters, and the Developmental Centers. Legislation permits DDS to convene a group of stakeholders to develop General Fund savings proposals to deal with the Trigger Reduction. ARCA opposes this $200 million reduction in FY 2012-13.

When these Trigger Reductions were first proposed, it was ARCA's understanding that they were to be a one-time reduction applicable to FY 2011-12 only. ARCA opposes continuation of this Trigger Reduction into FY 2012-13.

In the past ten years, the regional center system has had to absorb budget reductions in both regional center operations and purchase of service budgets totaling $752 million General Fund ($1.4 billion total funds). The cumulative effect of these reductions has resulted in a loss of $2.6 billion General Fund ($5.4 billion total funds) over the ten year period.

Consequently, services to people with developmental disabilities have been curtailed or eliminated, provider rates have been frozen, and regional center staffing has been decimated.

Operations (OPS)

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

1. ARCA supports the restoration of $13.8 million General Fund ($21.9 million total funds) due to the June 30, 2012 sunset of the 4.25 % reduction to the Operations budget. This reduction began in February 2009 as a 3% reduction and was then increased to 4.25% beginning July 1, 2010. This reduction further exacerbated the burden regional centers face to provide services to over 250,000 consumers while maintaining mandated caseload ratios with an already underfunded budget and assuring compliance with the Lanterman Act and other State and federal statutory requirements. Regional centers have struggled under this burden of reduced funding in complying with the many federal requirements to maintain continued federal funding from the HCBS Waiver, Targeted Case Management, the 1915(i)

State Plan Amendment, the 1915(k) State Plan, and Money Follows the Person programs. Regional center staff plays a crucial role in bringing in over $1 billion in federal reimbursements from the HCBS waiver and Target Case Management programs.

a. Regional center Operations still maintains an 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, 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.

2. ARCA supports the adjustment of $9.2 million for updated caseload.

3. ARCA would also support the restoration of the FY 2001-12 unallocated reduction of $10.6 million and the restoration of the FY 2004-05 unallocated reduction of $6.0 million. These unallocated reductions continue to be deducted from regional center operations budgets year after year, further frustrating the efforts of regional centers to capture federal funds.

Purchase of Service (POS)

FY 2011-12

1. As this is just a technical adjustment, ARCA takes no position on the net decrease of $2.1 million General Fund ($2.8 million total funds) due to updated caseload and expenditures data.

2. As this is just a technical adjustment, ARCA takes no position on the reduction of $32 million General Fund ($47 million total funds) due to the delay in the State's implementation of the elimination of Adult Day Health care services.

FY 2012-13

1. ARCA supports the $94.6 million General Fund ($123.8 million total funds) adjustment due to caseload growth and increased service utilization.

2. ARCA supports the net increase of $29.1 million General Fund ($28.1 total funds) to "Impacts from Other Departments" of $28.1 million due mostly to planned reductions in Medi-Cal for enteral nutrition (tube feeding), hearing aid caps, and co-payments.

ARCA Position Statement
Governor's Proposed Budget for Fiscal Year 2012-13

3. ARCA supports the increase of $4.5 million General Fund ($8.9 million total funds) for the Financial Management Services (FMS) for Participant Directed Services. HCBS Waiver guidelines require consumers who receive voucher services to utilize the services of an FMS to pay for the services. This has been a difficult transition for regional centers in that there were few FMS providers in California and in some areas there are none. Regional centers are experiencing an increased workload in locating and developing FMS providers, processing the necessary paperwork, and training consumers and their families in utilizing the FMSs. Regional centers remain committed to working with DDS to maximize federal revenues.

4. ARCA supports the $0.7 million total funds ($0.0 General Fund) increase to Quality Assurance Fees for Intermediate Care Facilities (ICFs). This is a result of DDS's effort to bill Medi-Cal for day programs and transportation services provided to residents of ICFs. This has been a workload burden for regional centers as they have had to process payments for services rendered back to FY 2007-08. As noted above, regional centers remain committed to working with DDS to maximize federal revenues.

5. ARCA supports the restoration of $94.6 million General Fund ($135.8 million total funds) due to the June 30, 2012 sunset of the 4.25% payment reduction to service providers. This began in February 2009 as a 3% reduction and was then increased to 4.25% beginning July 1, 2010. This has been an extreme hardship for the many community service providers who serve people with a developmental disability. Most service providers have had their rates frozen for the past seven years and this arbitrary reduction only exacerbates the rate inequities among service providers.

6. ARCA supports the increase of $50 million General Fund ($0 total funds) to reflect a funding shift from California First Five Commission (Proposition 10) to General Fund.

Prevention

ARCA continues to oppose the cuts to services for at-risk infants and the transfer of the Prevention Program to the Family Resource Centers. ARCA continues to support the full restoration of serving at-risk infants and toddlers through the regional center Early Start Program to ensure seamless provision of services to children at this vulnerable developmental stage.

Attachment #4

State of California
Department of Developmental Services

DDS 2012-13 Budget: Stakeholder Process

Spanish

While California's budget situation continues to improve, current year State revenues remain insufficient. In December, the Director of Finance informed the Legislature that revenues were less than anticipated and that several statutorily authorized "trigger" reductions were necessary, including a reduction to the Department of Developmental Services' (Department) budget.

The January 5, 2012, Governor's Budget for Fiscal Year (FY) 2012-13 includes the full year impact of the revenue trigger reduction for DDS of $200 million General Fund (GF). The proposed budget also assumes expiration of the 4.25 percent payment reduction to regional centers and providers, due to sunset June 30, 2012, and recognizes caseload growth in the community. To address the budget year reductions, the Department is initiating a process to receive stakeholder input in the development of reduction proposals.

The Department has successfully used a variety of approaches to work with our stakeholders in developing cost saving measures. These processes have enabled California to maintain the Lanterman Act for individuals with developmental disabilities while realizing the required budget reductions. To ensure sufficient time is available to develop proposals for legislative consideration for the FY 2012-13 Budget, DDS has scheduled six stakeholder workgroup meetings throughout the State in February and March, as follows:

- Los Angeles – Friday, February 3, 2012
- Sacramento – Tuesday, February 7, 2012
- San Diego – Thursday, February 16, 2012
- Riverside – Friday, February 17, 2012
- Oakland – Friday, February 24, 2012
- Fresno – Thursday March 1, 2012

Similar to the process used to develop reduction proposals for the FY 2011-12 Budget, stakeholder organizations are being invited to appoint individuals to the workgroups that represent their respective services or role in the provision of services to consumers. To ensure individuals who receive services and their families have the opportunity to participate, we are asking the organizations to appoint consumer or family member representatives to the workgroups. Each workgroup will include:

- Three representatives from statewide organizations representing individuals and families who receive services throughout the Developmental Services System.
- Three representatives from each of seven different service categories, appointed by their respective organizations.
- A representative from developmental center families, the University Centers on Excellence in Developmental Services and the Department's Consumer Advisory Committee.

In addition, the Department welcomes written suggestions from members of the community. These suggestions should be submitted by **March 1, 2012** to John Schmidt at John Schmidt or mailed to:

John Schmidt
Special Assistant to the Director
Department of Developmental Services
P.O. Box 944202
Sacramento, California 94244-2020

In developing system-wide proposals, the Department is seeking input from stakeholders on strategies to decrease the need for admissions from the community into State Developmental Centers, opportunities to achieve efficiencies through emerging technologies, the extension of all or part of the 4.25 percent payment reduction, and other savings proposals.

DDS is strongly committed to working with its stakeholders to develop proposals for achieving the required FY 2012-13 savings.

Last Updated: 1/27/2012

1/13/12: 439 - 10

Attachment #5

Department of Developmental Services
Budget Stakeholder Meeting Agenda
2012

I. **Welcome and Introductions**

II. **Overview**

III. **Stakeholder Input on Potential Statewide Strategies to Achieve Savings**

   a. **Recent Legislation**

   b. **Reduce Developmental Center Admissions**

   c. **Use of Technology**

   d. **4.25% Payment Reduction**

IV. **Workgroup Savings Ideas**

V. **Next Steps**

From: "Eileen Richey" <RicheyE@arcanet.org>
To: <jwp@sdrc.org>, <stattimichael@yahoo.com>, "Sara Walter" <mike_sarawalte...
CC: <popadakj@arcanet.org>, "David Riester" <davidriester@sbcglobal.net>, "J...
Date: 3/4/2012 5:13 PM
Subject: Fresno Stakeholder Meeting Notes
Attachments: DDS-diificult to Serve.pdf

Hi All,

Attached are some additional charts that DDS developed for the Fresno Stakeholder meeting on the "difficult to serve" population. The following are my notes from the meeting- please excuse the short hand.

The meeting started out with DDS providing some background on the budget and the discussions at the previous stakeholder meetings. During the DDS presentation these points were made by stakeholder members or were clarifications by DDS:

Need to understand the impact of the previous cuts

Do we need to take the $200 million in cuts?

System is destabilized per Terri.

Developmental Center's (DCS) what dollars are matched (about 50%).

Only Porterville DC (PDC) has a ventilator program.

Need to move persons placed out of state back to CA.

Place out of DC.

Need to place persons behind the fence at PDC.

Need resources to serve persons prescribed anti-psychotic medications.

Money needs to follow person.

Need a unified DC and Community budget.

Should have wrap around supports in the community.

The group was asked to raise the issues that they felt were most important to discuss at the meeting:

Difficult to serve

Families of young children

Forensic community alternatives

Enhancing placements out of DCs

Judicial education

Narrowing of Supported Living Services

Autism insurance

Self Directed Services

Early Start issues

Increasing community capacity

Streamline licensing

Medicaid waiver and how to educate families

Mentoring new families

Training judges

Clients in county jails

Technology

Statewide POS standards

Increasing employment

Reducing reliance on DCs

DDS vendor audit requirements

Need more services for persons with mild to moderate needs.

Should use term client not consumer.

Mailings of service list to families is a waste of money.

Increase medical waiver numbers to increase federal funds into the state.

Need manageable caseloads.

Sunset 4.25%

Service coordinators need systems and time to work with families to access autism insurance coverage.

Move RRDP resources to the community.

Use vacant beds.

Moratorium on DC placements.

Close or consolidate DCs.

Want honesty in discussion of fiscal assumptions.

Specific discussion of the following issues:

Autism Insurance: DDS will count on $69 million. Per attendees many issues need to be addressed such as co-pays and deductibles and how they will work so families are not in the middle.

Early Start: Lots of problems with regulations, Prevention program needs to be restored, can make a big impact through early intervention, Family Resource Center's-concern over capability to perform responsibilities.

Communication and Education: Need to do a better job engaging families, institutional deeming needs to be called something different, need materials to use so organizations can spread the word about institutional deeming

Federal Financial Participation (FFP): Feel providers and RCs should work together on accessing FFP, restore Medicaid waiver incentive for RCs, RC workload a barrier, DDS needs to find a way to give service coordinators a heads up when someone losses Medi-Cal eligibility, need education on MW, discussion of 1915 (i) and (k), and qualifying deficits.

Redundancy: Need to streamline licensing, need to eliminate independent SLS reviews, SIR investigations are done twice now, ICF vacancies.

Difficult to Serve: Forensic needs, many person in jails, moratorium on DC admissions, median rate a barrier to community placement, redirect RRDP resources to RCs, work with judicial council to educate them and judges, etc, change diversion statute to include non-violent felonies, need to track available resources, focus on deflections, expand SDRC model, expand diversion statute to specifically include all developmental disabilities not just MR, develop a model competency restoration program, address medication issues better in the community.

Miscellaneous Issues: Develop a unified DC/RC budget, increase use of SLS, expand SDS, develop statewide POS standards.

Thanks,

Eileen

Eileen Richey, Executive Director

ARCA

Association of Regional Center Agencies

915 L Street, Suite 1440

Sacramento, CA 95814

Phone (916) 446-7961 ext.14

Fax (916) 446-6912

richeye@arcanet.org

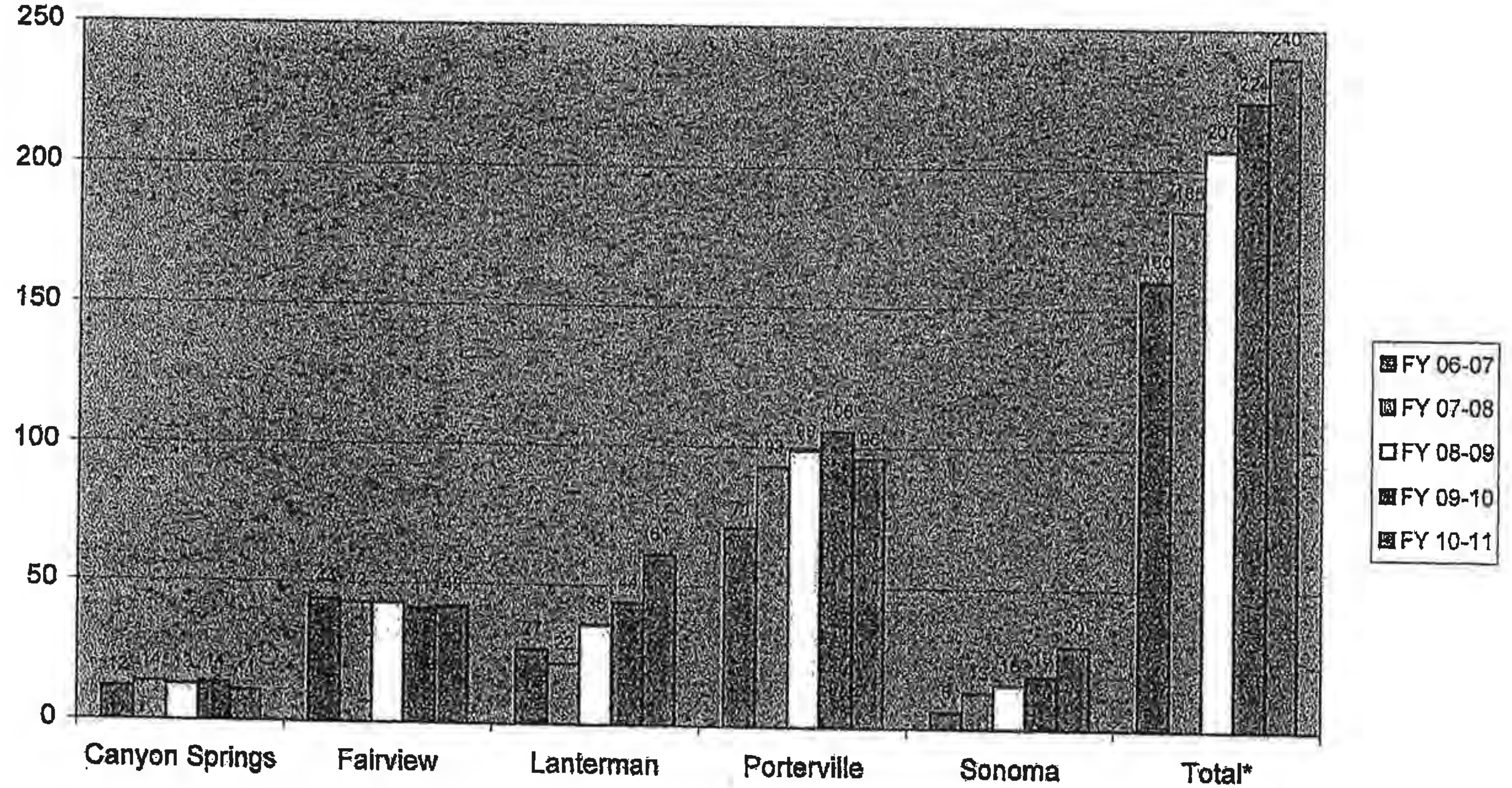
DC Consumers by Legal Status
Consumers on ACTIVE Status Living at the Developmental Center
12/28/2011

LEGAL STATUS	CS	FDC	LDC	PDC GTP	PDC STP	SDC	TOTAL	% OF TOTAL POP
In Re Hop and In Re Hop hold orders Adult admission approved by court on basis of In Re Hop (1981)29 Cal.3rd 92. on the application of a parent or conservator. Individual has severe disabilities and is unable to make an informed request for treatment. Commitment is generally one year, but some counties conduct two year reviews. May also be utilized where consumer is in need of continued treatment after initial admission. Court orders "hold order" for an adult pending a hearing pursuant to In Re Hop.	5	324	279	193	0	400	1,201	67%
WIC 6500, 6506, 4507 Danger to self and others Civil commitment for individual considered dangerous to self or others. Length of commitment is one year. Court orders "hold order" for a consumer to be held pending a hearing on the petition filed under WIC 6500.	37	48	12	87	152	156	492	27%
WIC 6000 Admission through RC of adult with mental retardation found competent to apply for admission and consent to treatment. May be used at PDC to admit consumers to the STP as a condition of probation if consumer, RC, DC and Probation officer in agreement.					2		2	4%
Penal Code (PC) 1370.1 Incompetent to stand trial commitment for no longer than three years.					65		65	
WIC 6552 Admission of Juvenile Court Wards.					1		1	
WIC 1756 Admission of ward from Department of Juvenile Justice (formally California Youth Authority). DC/RC and DJJ director agree admission is appropriate for length of sentence.					2		2	
WIC 5353, 5358 Lanterman Petris Short Act (LPS) Admission or continuation of stay at DC on signature of LPS conservator or temporary LPS conservator with authority to admit to a Developmental Center. RC and DC agree admission is appropriate and conservator requests admission. Annual court hearing required for renewal of LPS conservator's powers.	9	10	4	2		2	27	2%
WIC 2351.5 Limited Probate conservator Admission or continuation on signature of probate conservator with court authority to fix residence. No longer used for new admissions. Consumer is unable to make informed request for admission and DC and RC agree admission is appropriate.				7			7	
TOTAL	51	382	295	289	222	558	1,797	100%

CS - Canyon Springs
FDC - Fairview Developmental Center
LDC - Lanterman Developmental Center
PDC GTP - Porterville Developmental Center General Treatment Program
PDC STP - Porterville Developmental Center Secure Treatment Program
SDC - Sonoma Developmental Center

Handout 13

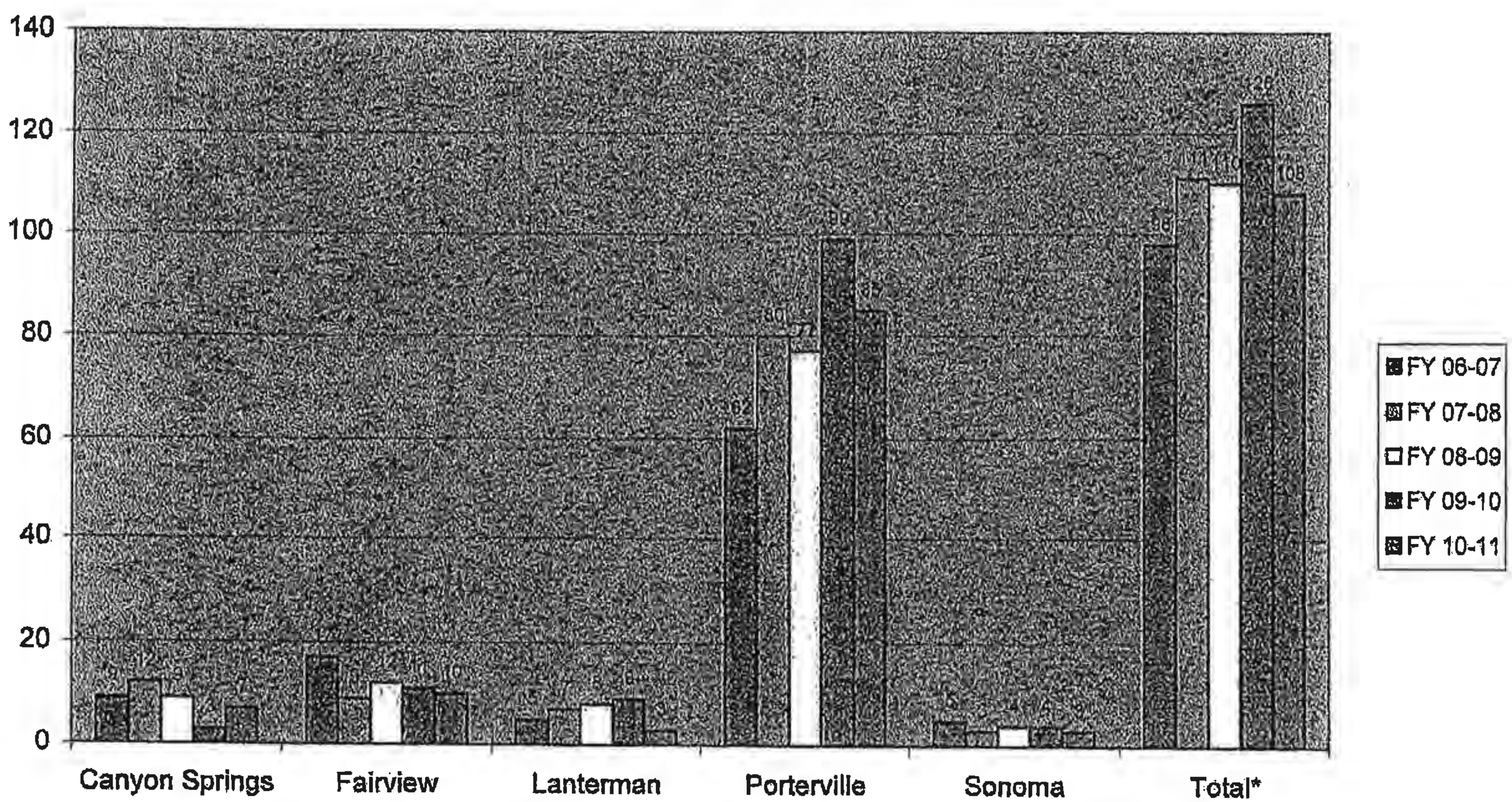
DC Placements



* Totals do not include placements from Sierra Vista (49) and Agnews (242)

Handout 14

DC Admissions

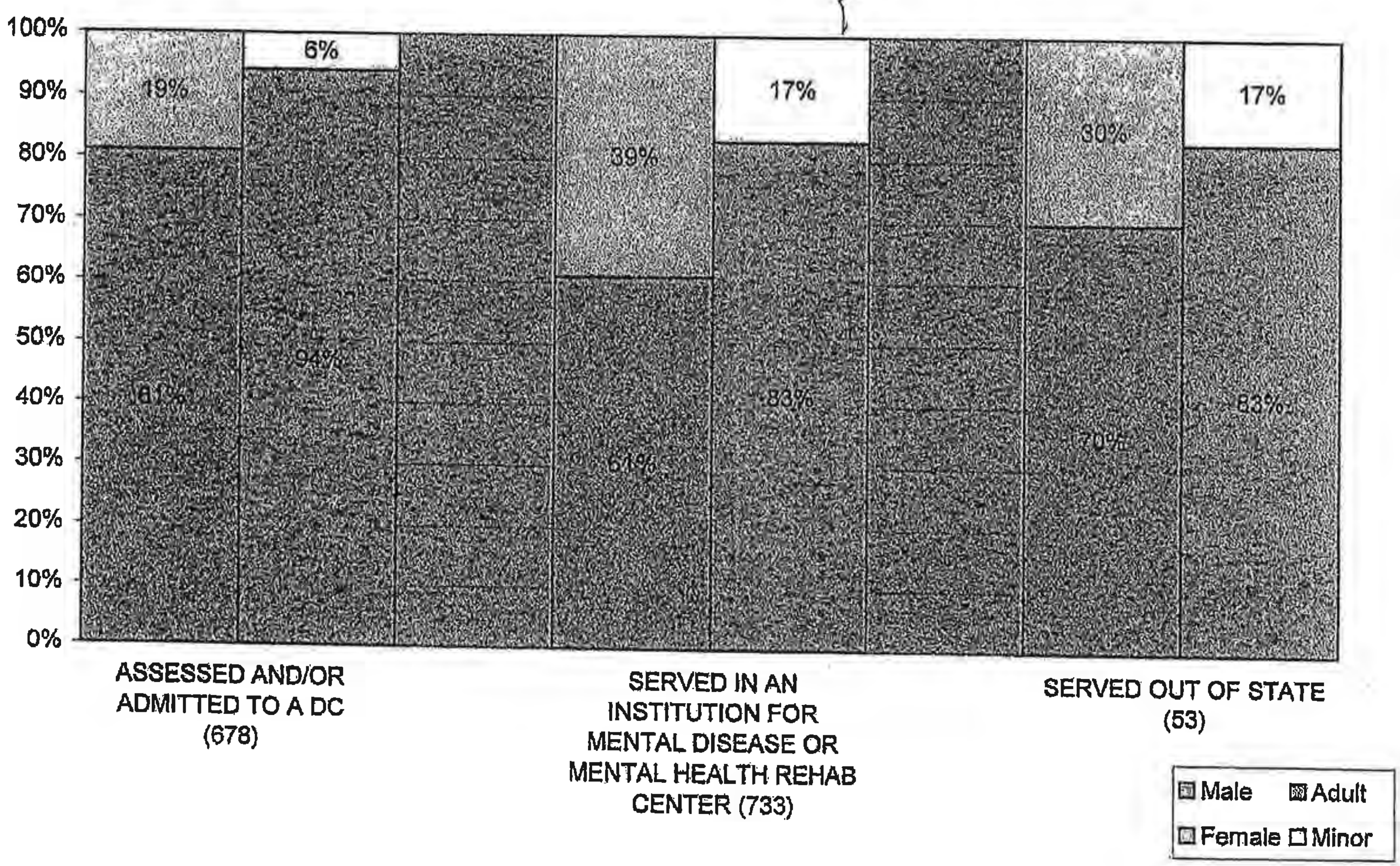


* Totals do not include admissions to Sierra Vista (23) and Agnews (3)

Handout 15

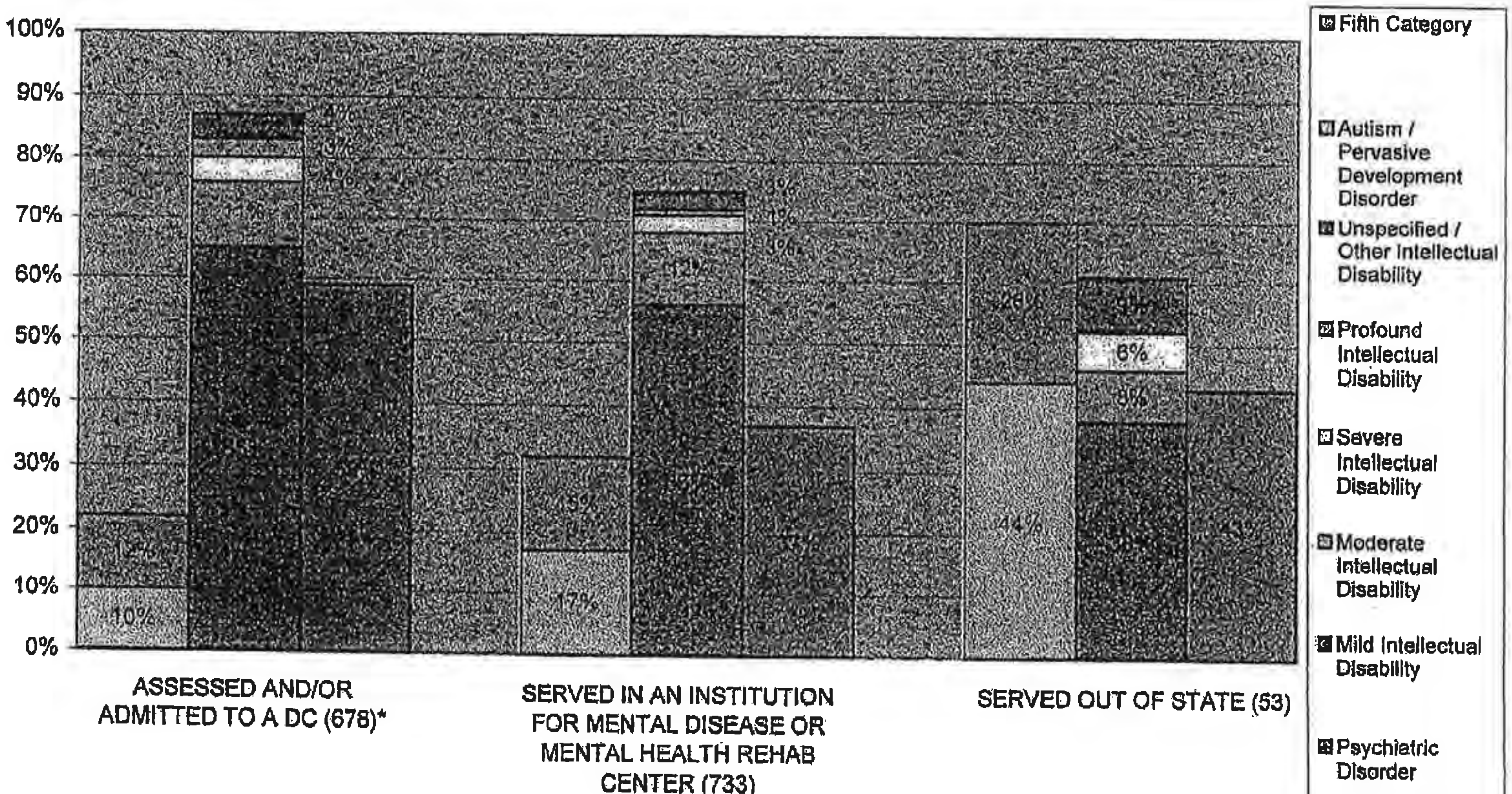
Difficult to Serve Population
DEMOGRAPHICS
July 2008 through December 2011

100% GF



Handout 16

Difficult to Serve Population
DIAGNOSIS
July 2008 through December 2011

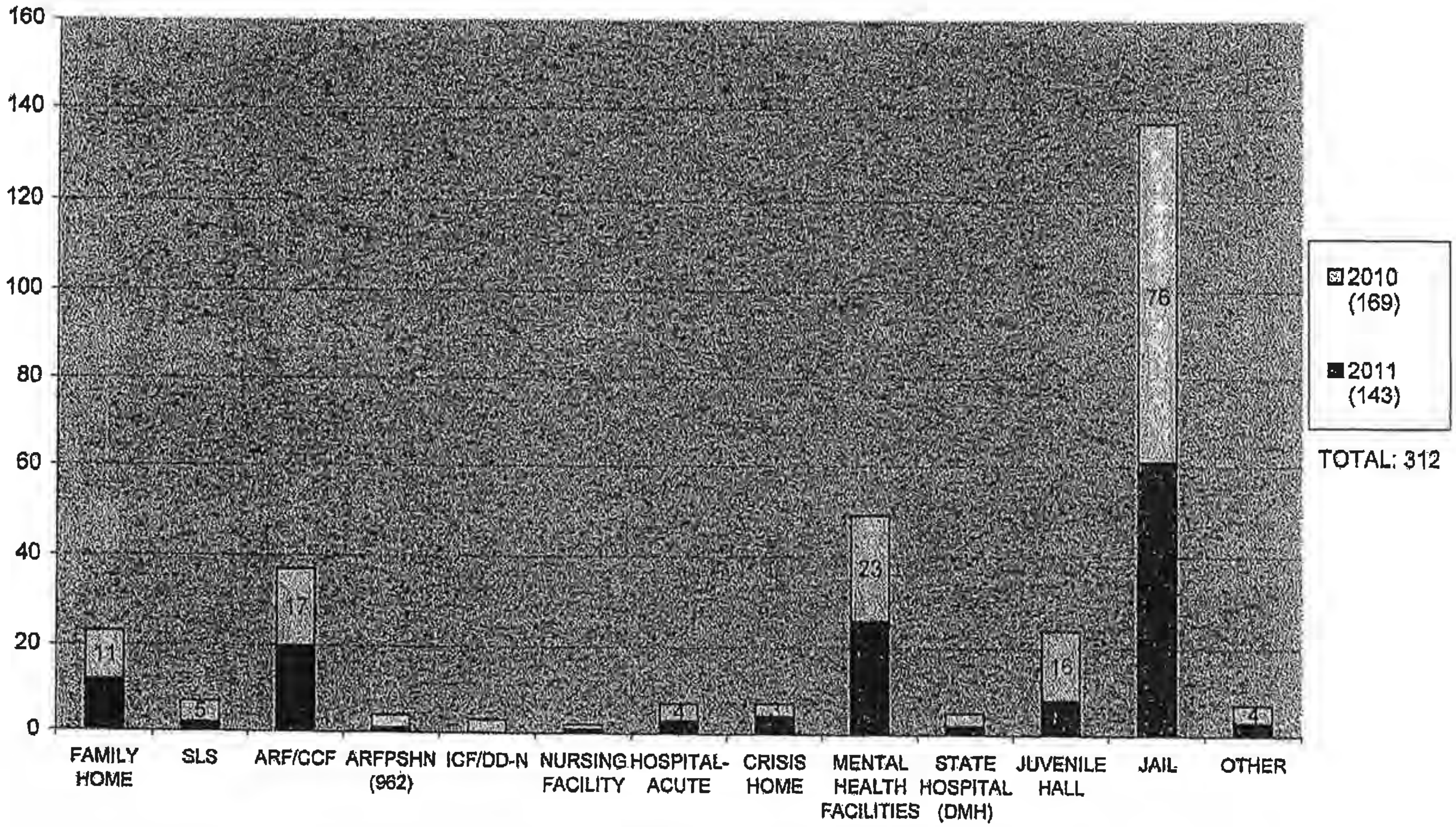


* Percentages for this group are based on the 661 of the 678 with available data

NOTE: Some individuals may have more than one diagnosis

Handout 17

JANUARY - DECEMBER 2010 AND
JANUARY - DECEMBER 2011
LOCATION OF CONSUMER AT TIME OF 4418.7 ASSESSMENT



Less Restrictive → More Restrictive

Other: One adult consumer was assessed at RC due to concerns of safety at the living option; One minor consumer residing in a treatment facility out of state was assessed by video conference; One minor consumer was assessed at a Level 14 Childrens Home licensed by DSS/Community Care Licensing Division.

Acronyms:
SLS: Supported Living Services
ARF/CCF: Adult Residential Facility/Community Care Facility
ARFPSHN: Adult Residential Facility for Persons with Special Health Needs
ICF/DD-N: Intermediate Care Facility/Developmentally Disabled - Nursing

Handout 18

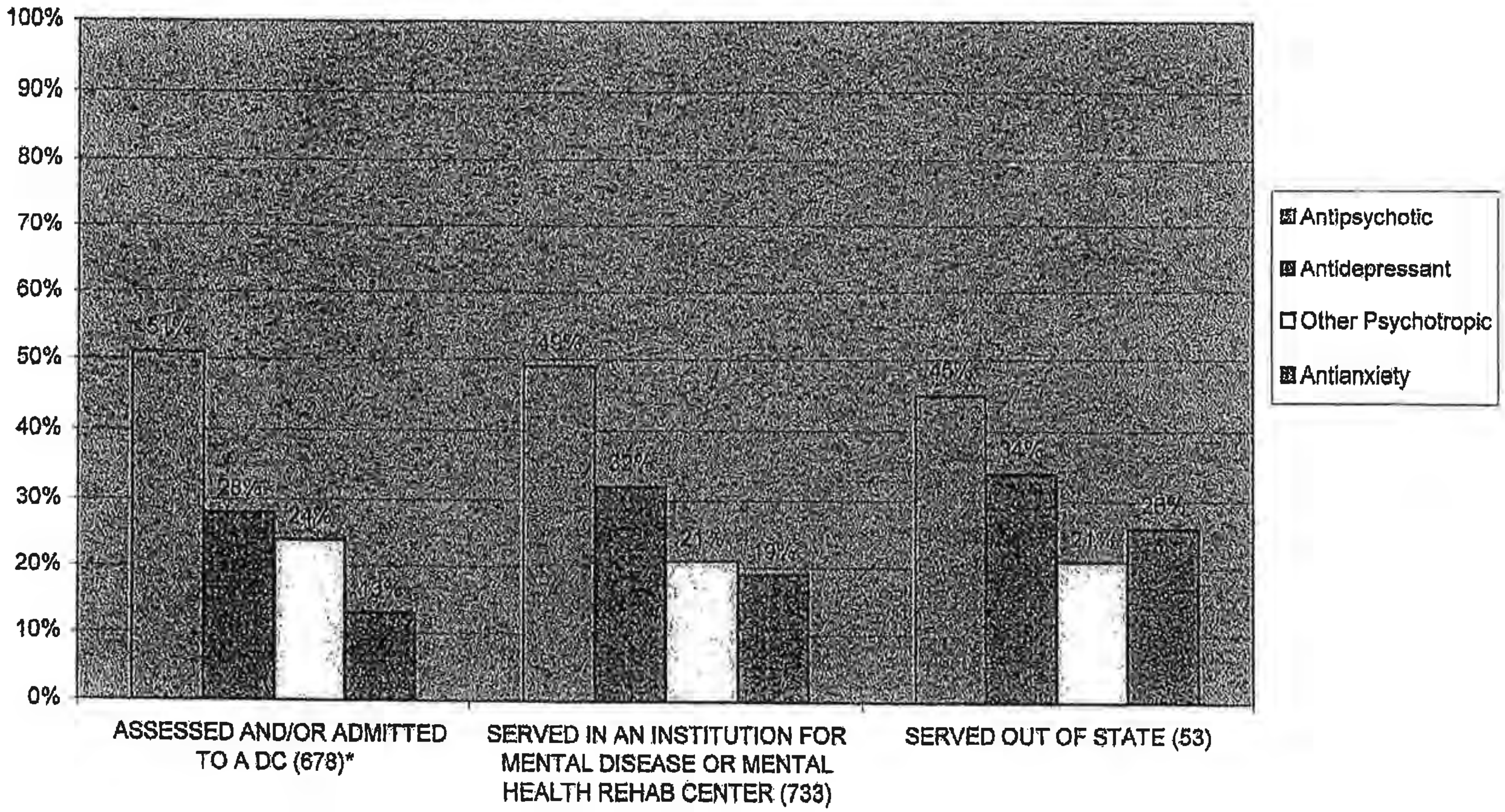
Difficult to Serve
CONDITIONS OF BEHAVIOR
July 2008 through December 2011

		ASSESSED AND/OR ADMITTED TO A DC		SERVED IN AN IMD OR MHRC*		SERVED OUT OF STATE**	
		#	%	#	%	#	%
TOTAL WITH CDER DATA (661 = 678 minus 17 w/o CDER)		661	97%	733	100%	53	100%
Conditions of Behavior	Serious Assaultive Behavior	292	44%	100	14%	15	28%
	Vandalism/Property Destruction	224	34%	107	15%	15	28%
	Maladaptive Sexual Behavior	193	29%	91	12%	12	23%
	Drug or Alcohol Abuse Recently	159	24%	67	9%	1	2%
	Habitual Theft	127	19%	59	8%	5	9%
	Attempted Suicide Past 5 Years	83	13%	63	9%	3	6%
	Fire Setting Behaviors	60	9%	26	4%	1	2%
	Drug or Alcohol Abuse Conviction	60	9%	24	3%	0	0%

* Includes 68 Duplications from Assessments and Admissions Column
** Includes 1 Duplication from Assessments and Admissions Column

Handout 19

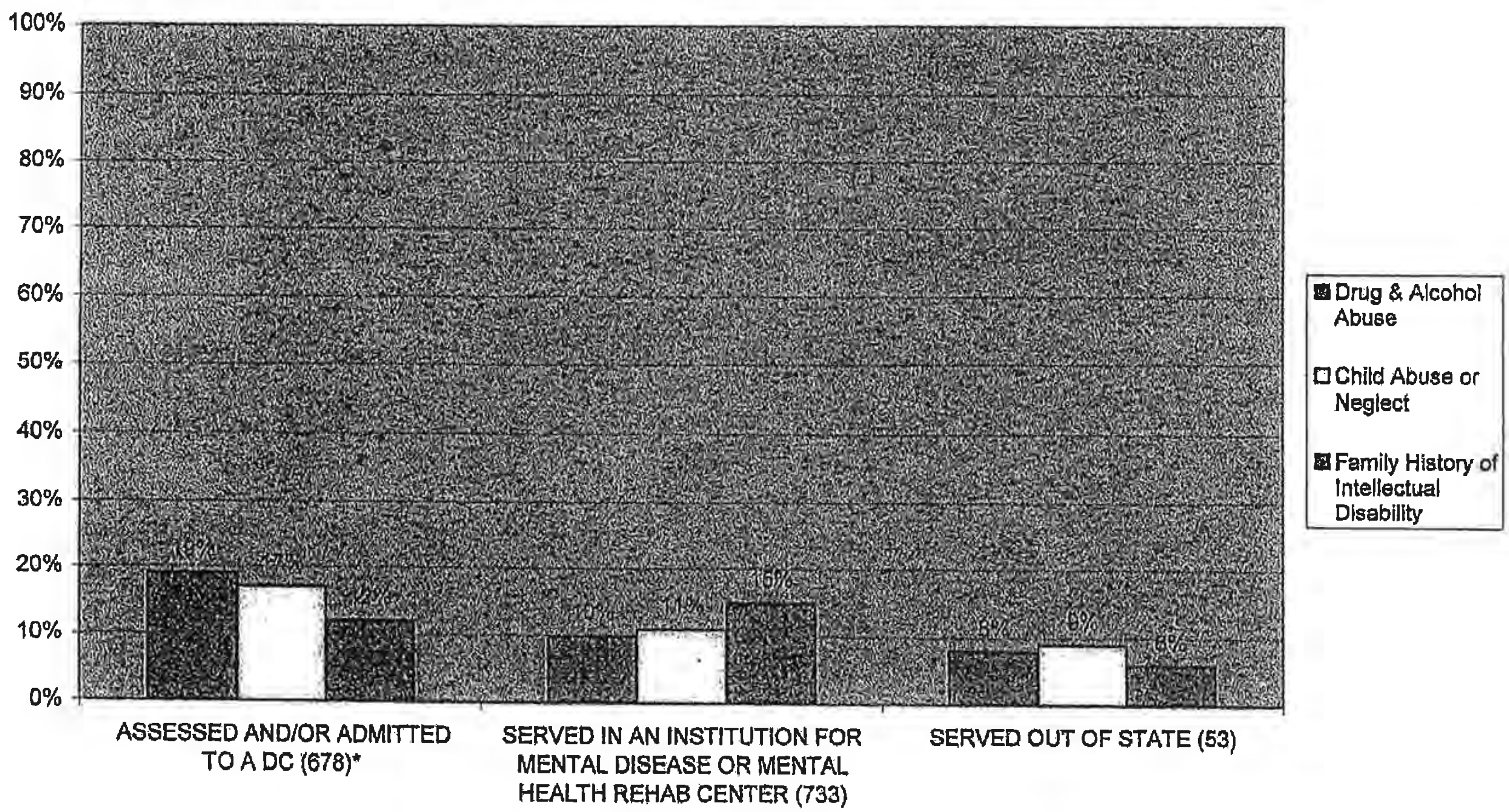
Difficult to Serve Population
BEHAVIOR MODIFYING DRUGS
July 2008 through December 2011



* Percentages for this group are based on the 661 of the 678 with available data

Handout 20

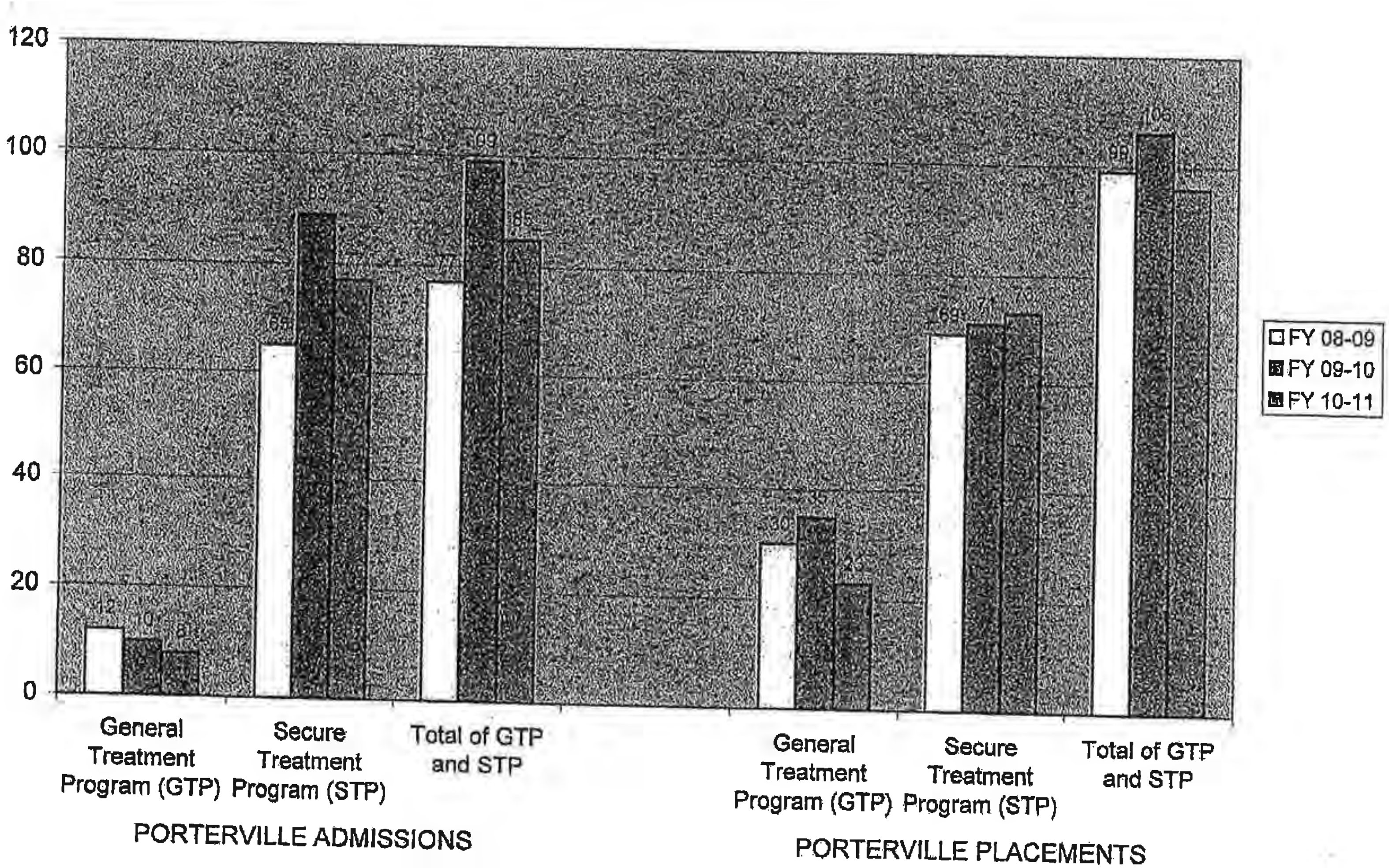
Difficult to Serve Population
RISK FACTORS
July 2008 through December 2011



* Percentages for this group are based on the 661 of the 678 with available data

Handout 21

PORTERVILLE DC



Handout 22

Incremental Impact of Operations and Purchase of Services Payment Reduction
0.25% to 4.25%

Payment Reduction	Operations		Purchase of Services		TOTAL	
Percentage	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund
4.25%	-21,931,000	-13,783,000	-136,275,000	-94,620,000	**-$158,206,000**	**-$108,403,000**
4.00%	-20,641,000	-12,972,000	-128,259,000	-89,055,000	**-$148,900,000**	**-$102,027,000**
3.75%	-19,351,000	-12,162,000	-120,243,000	-83,489,000	**-$139,594,000**	**-$95,651,000**
3.50%	-18,061,000	-11,351,000	-112,226,000	-77,922,000	**-$130,287,000**	**-$89,273,000**
3.25%	-16,771,000	-10,540,000	-104,210,000	-72,357,000	**-$120,981,000**	**-$82,897,000**
3.00%	-15,481,000	-9,729,000	-96,194,000	-66,791,000	**-$111,675,000**	**-$76,520,000**
2.75%	-14,191,000	-8,919,000	-88,178,000	-61,225,000	**-$102,369,000**	**-$70,144,000**
2.50%	-12,901,000	-8,108,000	-80,162,000	-55,659,000	**-$93,063,000**	**-$63,767,000**
2.25%	-11,611,000	-7,297,000	-72,146,000	-50,093,000	**-$83,757,000**	**-$57,390,000**
2.00%	-10,321,000	-6,487,000	-64,129,000	-44,527,000	**-$74,450,000**	**-$51,014,000**
1.75%	-9,030,000	-5,675,000	-56,113,000	-38,961,000	**-$65,143,000**	**-$44,636,000**
1.50%	-7,740,000	-4,864,000	-48,097,000	-33,395,000	**-$55,837,000**	**-$38,259,000**
1.25%	-6,450,000	-4,054,000	-40,081,000	-27,830,000	**-$46,531,000**	**-$31,884,000**
1.00%	-5,160,000	-3,243,000	-32,065,000	-22,264,000	**-$37,225,000**	**-$25,507,000**
0.75%	-3,870,000	-2,432,000	-24,049,000	-16,698,000	**-$27,919,000**	**-$19,130,000**
0.50%	-2,580,000	-1,621,000	-16,032,000	-11,132,000	**-$18,612,000**	**-$12,753,000**
0.25%	-1,290,000	-811,000	-8,016,000	-5,566,000	**-$9,306,000**	**-$6,377,000**

Handout 23

Attachment #6

Department of Developmental Services
Budget Stakeholder Meeting Agenda
2012

I. **Welcome and Introductions**

II. **Overview**

III. **Stakeholder Input on Potential Statewide Strategies to Achieve Savings**

   a. **Recent Legislation**

   b. **Reduce Developmental Center Admissions**

   c. **Use of Technology**

   d. **4.25% Payment Reduction**

IV. **Workgroup Savings Ideas**

V. **Next Steps**

From: "Eileen Richey" <RicheyE@arcanet.org>
To: <jhunt@inlandrc.org>, <jwp@sdrc.org>, <stattimichael@yahoo.com>, "Sara W...
Date: 2/6/2012 4:09 PM
Subject: LA Stakeholders Group Meeting
Attachments: PartOne..pdf; PartTwo..pdf

Hi All,

I spoke with George Stevens from North LA County Regional Center this afternoon and has passed along the following comments from the LA Stakeholder meeting. Also attached are the meeting handouts.

Terri started out the meeting providing an overview of the budget, trigger, the $100 million savings, Part C and the potential impact on all the states due to changes at the federal level.

The meeting was very low key and civil. The following are comments from attendees:

Steinberg Legislation- $65-70 million savings , co-pays and deductibles how will this work? Why was public insurance excluded? How can ES providers access insurance? How did DDS arrive at assumptions for the savings?

FMS- Lots of questions. Why does everyone need to use this?

What $ are the audits saving? Many proposals were one-time only so did not carry over.

How much will the 1915 (k) save?

How much did the COI, ABA and Transparency proposals save?

Need more data on DC placements to solve the issue- need more info on jail population, unevenness of DC admissions, post-traumatic stress syndrome, dual diagnosis.

Mark from DDS raised: ideas of savings versus efficiencies. Telehealth, on-line services, video-conferencing to improve communication and make more effective.

Centralized billing if no budget then providers would not get paid as do now with RCs.

Centralized HR

Service provider synergies.

Did transparency save anything?

Save and protect the IPP, Lanterman Act and due process.

Self Determination

How reward productive people, reward employment.

How come up with models for collaboration for IEP, ITP, IPP etc.

Group consensus that parents, providers and RC all need to partner. How get info out to help people to understand and agree to be on the MW.

1915(i) how will this work?

Insurance issues very complicated.

Why are people not working?

Are we being short sighted- need long range view.

Increase FFP to avoid cuts.

Impact of the 4.25% on older versus newer providers.

How build trust and work together.

Centralized billing, HR

Inefficiencies on billing forms.

Paperwork requirements.

RRDP how use to deflect?

Expand diversion beyond misdemeanors.

Use OCRA to deflect and move people out of DCs.

Self-directed services.

EPSDT and adult MediCal coverage- impact.

How can we build a better system?

Stabilize system through long term planning.

Median rate does not work. ILS via Skype.

Consolidation of vendorization.

Consolidation would lose local control.

Service coordinators are overwhelmed.

IHSS/SLS impact as managed care does not understand our folks or our services.

Managed care lack of understanding of MW.

Repurpose Canyon Springs for offenders.

Savings from using insurance for ES services.

We are a tapestry all intertwined.

How manage complexity and confidentiality.

Providers share so can be more cost effective.

Explain to families how managed care works.

Uniformity vs. local control.

Long term plan needed for the system.

Eileen Richey, Executive Director

ARCA

Association of Regional Center Agencies

915 L Street, Suite 1440

Sacramento, CA 95814

Phone (916) 446-7961 ext.14

Fax (916) 446-6912

richeye@arcanet.org

THE ANNUAL BUDGET PROCESS

Departments review expenditure plans and annually prepare baseline budgets to maintain existing level of services; they may prepare Budget Change Proposals (BCPs) to change levels of service.

Department of Finance (Finance) analyzes the baseline budget and BCPs, focusing on the fiscal impact of the proposals and consistency with the policy priorities/direction of the Governor. Finance estimates revenues and prepares a balanced expenditure plan for the Governor's approval. The Governor's Budget is released to the Legislature by January 10th of each year.

Governor issues State of the State Address setting forth policy goals for the upcoming fiscal year. Two identical Budget Bills are submitted (one in the Assembly and one in the Senate) for independent consideration by each house.

Public input to Governor, legislative members and subcommittees.

Finance and departments testify before budget subcommittees on the proposed budget. DOF updates revenues and expenditures with Finance Letters and May Revision.

As non-partisan analysts, the **Legislative Analyst's Office (LAO)** prepares an "Analysis of the Budget Bill" and "Perspectives and Issues". Testifies before the budget subcommittees on the proposed budget.

Public input to Governor, legislative members and subcommittees.

Assembly Budget Committee - divided into several subcommittees to review (approve, revise, or disapprove) specific details of the budget. Majority vote required for passage.

Senate Budget and Fiscal Review - divided into several subcommittees to review (approve, revise, or disapprove) specific details of the budget. Majority vote required for passage.

Assembly Floor examines committee report on budget attempting to get 2/3 vote for passage. The Budget usually moves to conference committee.

Senate Floor examines committee report on budget attempting to get 2/3 vote for passage. The Budget usually moves to conference committee.

Budget Conference Committee attempts to work out differences between Assembly & Senate versions of the Budget - also amending the budget to attempt to get a 2/3 vote from each house.

Assembly Floor reviews conference report and attempts to reach 2/3 agreement. If no agreement is reached in conference or on floor, the BIG 5 gets involved.

Senate Floor reviews conference report and attempts to reach 2/3 agreement. If no agreement is reached in conference or on floor, the BIG 5 gets involved.

Sometimes, the BIG 5 (Governor, Speaker of Assembly, Speaker pro Tempore, and Minority Leaders of both houses) meet and compromise to get the 2/3 vote required in each house.

Final budget package with 2/3 vote in each House submitted to the Governor for signature. Governor may reduce or eliminate any appropriation through the line-item veto. The budget package also includes trailer bills necessary to authorize and/or implement various program or revenue changes.

Individual departments and the **Finance** administer, manage change, and exercise oversight of the Budget on an ongoing basis. **The Joint Legislative Budget Committee (JLBC)** provides some coordination between the two houses and oversees the LAO. The JLBC is involved in the ongoing administration of the Budget and reviews various requests for changes to the Budget, after enactment.

CHART P

HISTORICAL DATA
DATES FOR MAY REVISION
AND BUDGET BILL ENACTMENT

YEAR	MAY REVISION LETTER DATE(S)		BUDGET ACT DATES	
	Revenues	Expenditures	Passed	Signed
1977-78	5-23-77	5-23-77	6-24-77	6-30-77
1978-79	5-25-78	5-25-78	7-5-78	7-6-78
1979-80	5-10-79	5-10-79	7-11-79	7-13-79
1980-81	5-29-80	5-29-80	7-16-80	7-16-80
1981-82	5-7-81	5-7-81	6-15-81	6-28-81
1982-83	5-5-82	5-5-82	6-25-82	6-30-82
1983-84	5-9-83	5-9-83	7-19-83	7-21-83
1984-85	5-10-84	5-6-84	6-15-84	6-27-84
1985-86	5-10-85	5-10-85	6-13-85	6-28-85
1986-87	5-9-86	5-9-86	6-12-86	6-25-86
1987-88	5-19-87	5-11-87 5-19-87	7-1-87	7-7-87
1988-89	5-20-88	5-20-88	6-30-88	7-8-88
1989-90	*	*	6-29-89	7-7-89
1990-91	*	*	7-28-90	7-31-90
1991-92	5-21-91	5-21-91	6-20-91	7-16-91
1992-93	5-21-92	5-21-92	8-29-92	9-2-92
1993-94	5-20-93	5-20-93	6-22-93	6-30-93
1994-95	5-20-94	5-20-94	7-4-94	7-8-94
1995-96	5-22-95	5-22-95	8-2-95	8-3-95
1996-97	5-21-96	5-21-96	7-8-96	7-15-96
1997-98	5-14-97	5-14-97	8-11-97	8-18-97
1998-99	5-14-98	5-14-98	8-11-98	8-21-98
1999-00	5-14-99	5-14-99	6-16-99	6-29-99
2000-01	5-14-00	5-14-00	6-22-00	6-30-00
2001-02	5-14-01	5-14-01	7-22-01	7-26-01
2002-03	5-14-02	5-14-02	8-31-02	9-5-02
2003-04	5-14-03	5-14-03	7-29-03	8-2-03
2004-05	5-13-04	5-13-04	7-29-04	7-31-04
2005-06	5-13-05	5-13-05	7-7-05	7-11-05
2006-07	5-12-06	5-12-06	6-27-06	6-30-06
2007-08	5-14-07	5-14-07	8-21-07	8-24-07
2008-09	5-14-08	5-14-08	9-16-08	9-23-08
2009-10	5-29-09 ***	5-29-09 ***	2-19-09 **	2-20-09 **
2009-10			7-23-09*****	7-28-09*****
2010-11	5-14-10	5-14-10	10-8-10	10-8-10

* No Formal May Revision - All changes were handled by negotiations between the Administration and Legislature and reflected as legislative changes to the January Budget Bill.

** February 2009 Budget Act (Chapter 1, Statutes of 2009, Third Extraordinary Session)

*** Per Control Section 35.10 Legislature provided extension due to statewide election. Formal publication on 5/14, updated numbers released on website 5/26 and 5/29.

**** Finance Letters were delivered 5/2/09-6/2/09

***** Chapter 1, Statutes of 2009, Fourth Extraordinary Session

February 18, 2011

Governor Jerry Brown
c/o State Capital, Suite 1173
Sacramento, CA 95814

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Governor Brown,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

Please discontinue the proposed $200 million Trigger Cut to developmental services. If the Trigger Cut must continue, please don't extend the 4.25% rate cut as a way to achieve these savings. Please look to other solutions such as the savings from SB 946 (Steinberg) that will require insurance companies to pay for some behavioral services currently paid by regional centers, developmental center budget efficiencies and accelerated closures, decrease the need for admissions from the community to the developmental centers, savings from emerging technologies, and other least hurtful savings proposals.

Please make the restoration of the direly needed 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012 a priority. Over 256,000 persons with developmental disabilities and their families are counting on your support and will be closely monitoring your decision.

Sincerely,

____(Signature)

____(Full Name)

____(Home Address)

____(Home Address)

February 18, 2011

Terri Delgadillo, Director
Department of Developmental Services
1600 9th Street, Room #240
Sacramento, CA 95814

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Director Delgadillo,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

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Sincerely,

____(Signature)

____(Full Name)

____(Home Address)

____(Home Address)

February 18, 2011

Darrell Steinberg
Senate President pro Tem
State Capitol, Room 205
Sacramento, CA 95814

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Senate President pro Tem Steinberg,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

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Sincerely,

____________________________________(Signature)

____________________________________(Full Name)

____________________________________(Home Address)

____________________________________(Home Address)

February 18, 2011

John Perez
Speaker of the Assembly
State Capitol, P.O. Box 942849
Sacramento, CA 94249-0046

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Speaker Perez,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

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Sincerely,

____(Signature)

____(Full Name)

____(Home Address)

____(Home Address)

February 18, 2011

Mark Leno, Chair
Senate Budget and Fiscal Review Committee
State Capitol, Room 5100
Sacramento, CA 95814

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Chair Leno,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

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Sincerely,

____(Signature)

____(Full Name)

____(Home Address)

____(Home Address)

February 18, 2011

Mark DeSaulnier, Chair
Assembly Subcommittee No. 3 on Health and Human Services
State Capitol, Room 5035
Sacramento, CA 95814

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Chair DeSaulnier,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

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Sincerely,

____(Signature)

____(Full Name)

____(Home Address)

____(Home Address)

February 18, 2011

Bob Blumenfield, Chair
California State Assembly Committee on Budget
State Capitol, P.O. Box 942849
Sacramento, CA 94249-0040

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Chair Blumenfield,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

Developmental Services has endured over $1 Billion in cuts in the last several years. Our community based services system is very fragile and cannot endure the continuation of the 4.25% payment reduction any longer. **Restoring the 4.25% payment reduction will inject a direly needed $158 million to the regional center community based services system that will prevent community based services from collapsing and thus costing the State more to institutionalize persons with developmental disabilities.**

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Sincerely,

______________________________________(Signature)

______________________________________(Full Name)

______________________________________(Home Address)

______________________________________(Home Address)

February 18, 2011

Holly Mitchell, Chair
Assembly Sub-Committee #1 on Health and Human Services
State Capitol, P.O. Box 942849
Sacramento, CA 94249-0047

RE: Restoration of the 4.25% Payment Reduction to the Regional Centers and Service Providers (Vendors) Budget Effective July 1, 2012

Dear Chair Mitchell,

I am writing you today to strongly advocate for the restoration of the 4.25% payment reduction to the Regional Centers and Service Providers (Vendors) effective July 1, 2012.

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Sincerely,

____(Signature)

____(Full Name)

____(Home Address)

____(Home Address)