

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

**4300-003-0001 Department of Developmental Services—State Developmental Centers**

Summary. The State’s Developmental Centers (DCs) are licensed and federally certified as Medi-Cal providers. They provide direct services which include the care and supervision of all residents on a 24-hour basis, supplemented with appropriate medical, health maintenance activities, assistance with activities of daily living and training.

The Department of Developmental Services (DDS) operates five DCs—Agnews (warm-shut down), Fairview, Lanterman, Porterville and Sonoma. Porterville is unique in that it provides forensic services in a secure setting. In addition, the DDS leases Sierra Vista, a 54-bed facility located in Yuba City and Canyon Springs, a 63-bed facility located in Cathedral City.

The population of the DCs has continued to decrease over time. The development of community services as an alternative to institutional care mirrors national trends that support integrated, community-based services. Implementation of the Coffelt Settlement agreement resulted in a transition of more than 2,320 persons between 1993 and 1998. This was accomplished by creating new community living arrangement, developing new assessment and individual service planning procedures. The U.S. Supreme Court decision in Olmstead (1999) stated that services should be provided in community settings when it has been determined that community placement is appropriate.

The May Revision proposes total expenditures of \$675.3 million (\$295.7 million General Fund) which reflects a reduction of \$14.2 million (decrease of \$74.7 million General Fund) for 2009-2010, as compared to the February Budget. This decrease reflects a reduction of 184 residents, primarily due to the Agnews Developmental Center closure, for a total of 2,220 residents. The May Revision also reflects the availability of the federal American Recovery and Reinvestment Act (ARRA) funds for the DCs at the enhanced federal fund rate of 61.59 percent which reduces General Fund support.

The DDS states the average cost for a resident living in a DC is \$299,000, with Sierra Vista being the most costly at \$318,000 per resident.

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
<b>VOTE ONLY CALENDER</b>				
<b>201</b>	<p data-bbox="216 451 619 532"><b>Reduction to Out-Patient Clinic at Agnews DC</b></p> <p data-bbox="216 581 682 1036">The May Revision proposes to reduce by \$1.9 million (\$192,000 General Fund) to reflect a reduction in specific outpatient clinic services as the Agnews DC continues warm-shutdown. This reduction reflects a decrease of 14 positions, which leaves 10 positions to continue to provide services.</p> <p data-bbox="216 1092 682 1255">The clinic would continue providing primary care, psychiatry, and dental services through the warm-shutdown.</p> <p data-bbox="216 1304 682 1380">(\$1,699,000 payable from Item 4300-503-0995.)</p>		-192,000	<p data-bbox="1209 451 1942 743">State stature requires the DDS to operate a primary care clinic at Agnews DC until the DDS is no longer responsible for the property and it's declared surplus. This was done to provide clinical services to individuals residing in the community and to better utilize existing medical resources at Agnews for a temporary period.</p> <p data-bbox="1209 776 1942 1239">Though all residents have been transitioned from Agnews (as of late April), the DDS notes that "warm-shut" activities need to occur, such as transferring medical records, furniture and other state resources as surplus and related functions. This warm-shut down is to utilize minimum staff and is expected to continue until the Department of General Services transfers possession and control of the property from the DDS. The DDS is obligated to properly maintain the property until such time as DGS transfers possession.</p>

**DISCUSSION ITEMS**

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
202 203 214	<p><b>Adjustments for State Developmental Centers (DCs).</b></p> <p>The May Revision proposes a series of adjustments for the DCs. Key adjustments are as follows:</p> <ol style="list-style-type: none"> <li>1. Decrease of \$12.3 million (\$6.3 million GF) to reflect a decrease of 184 residents and corresponding staff adjustments.</li> <li>2. Decrease of \$67.7 million (GF) to reflect the enhanced federal funds available from ARRA.</li> <li>3. Technical adjustment to restore Lottery Education Fund for state special schools. (Non-Budget Act Item, issue 205)</li> </ol> <p>(Reduce by \$218,000 Item 4300-004-0001.)</p> <p>(\$73,464,000 payable from Item 4300-503-0995 for caseload and federal ARRA adjustments).</p>		-73,767,000	The May Revision primarily reflects the effects of the Agnews DC closure, and receipt of the enhanced federal ARRA funds.

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

**4300-101-0001 Department of Developmental Services—Community Services & Regional Centers**

Summary. The DDS contracts with 21 Regional Centers (RC) (not-for-profit) which have designated catchment areas for service coverage throughout the state. The RCs are responsible for providing a series of services, including case management, intake and assessment, community resource development, and individual program planning assistance for consumers.

RCs also “purchase services” for consumers and their families from various approved vendors and coordinate consumer services with other public entities. Generally, RCs purchase services only if an individual does not have private insurance or they cannot refer an individual to so called “generic” services that are provided at the local level by the State, counties, school districts and other agencies (such as Medi-Cal and IHSS).

RCs purchase services such as: (1) residential care provided by Community Care Facilities; (2) support services for individuals in supported living arrangements; (3) Day Programs; (4) transportation; (5) respite; and (6) some health care, in addition to others.

Services and supports provided to individuals with developmental disabilities (consumers) are coordinated through the Individualized Program Plan (IPP). The IPP is prepared jointly by an interdisciplinary team. Services included in the consumer’s IPP are considered to be entitlements (court ruling). To be eligible for services, the disability must begin before the consumer’s 18th birthday, be expected to continue indefinitely, present a significant disability, and be attributable to certain medical conditions, such as mental retardation, autism and cerebral palsy.

The May Revision proposes total expenditures of \$3.933 billion (\$2.160 billion General Fund) which reflects a decrease of \$163.8 million (decrease of \$170.7 million General Fund) over the February Budget. These funds will be appropriated to serve 242,495 people with developmental disabilities living in the community.

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

**VOTE ONLY CALENDAR (Pages 92 - 96 inclusive)**

305	<p><b>Regional Centers: Restore Funding for Early Start Program.</b></p> <p>The May Revision increases by \$265 million (GF) to reflect the decision of the voters in not approving Proposition 1D.</p> <p>(Reduce by \$265,000,000 Item 4300-101-3148.)</p>	265,000,000	<p>Proposition 1D would have allowed \$265 million in funds obtained through Proposition 10, Statutes of 1998 --California Children and Families First Trust Funds—to be used to support the Early Start Program.</p> <p>The Early Start Program, administered by the DDS through Regional Centers, provides coordinated early intervention services to infants and toddlers (aged 0 to 3 years) and their families with, or at-risk of, developmental delays or disabilities.</p>
-----	--	-------------	--

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
207	<p><b>Regional Centers: Baseline Purchase of Services.</b></p> <p>The May Revision increases by \$138.5 million (\$82.4 million GF) to reflect baseline caseload adjustments and service utilization, and the later implementation date of the Self Directed Services Program.</p> <p>(Reduce Item 4300-103-0001 by \$1,175,000.) (\$57,048,000 payable from Item 4300-601-0995). (Increase Item 4300-101-0890 by \$268,000.)</p>		82,383,000	<p>The DDS states that baseline expenditures are increasing primarily due to the increased utilization of services and some caseload adjustments.</p>

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
209	<p><b>Regional Centers: Federal ARRA Offset for GF in Purchase of Services.</b></p> <p>The May Revision decreases by \$231.5 million (GF) to reflect the enhanced federal ARRA funds, including both the Federal Medicaid Assistance Participation (FMAP) funds and Early Start Program funds.</p> <p>(\$204,894,000 payable from Item 4300-601-0995). (Increase by \$26,616,000 Item 4300-101-0890.)</p>		-231,510,000	<p>California will receive an increase of 11.59 percent under the federal ARRA for a total FMAP of 61.59 percent for the Medi-Cal Program for the 27-month period. Compliance with certain federal requirements must be met in order to receive the enhanced federal funds.</p> <p>The DDS administers the Home and Community-Based Waiver and receives federal FMAP funds through this Waiver.</p> <p>The DDS will also receive an increase of \$26.6 million (federal funds) for the Early Start Program.</p>

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
210	<p><b>Regional Centers: Provide Funds for Medi-Cal Optional Services.</b></p> <p>The May Revision increases by \$12 million (\$8.2 million GF) to provide certain Medi-Cal Optional services, such as Adult Dental, for eligible individuals receiving Regional Center services.</p> <p>(\$3,746,000 payable from Item 4300-601-0995.)</p>		8,226,000	<p>Certain Medi-Cal Optional services were not included in the February Budget, including Adult Dental Services, psychologist services, incontinence creams and washes, podiatry, audiologist, Optical Labs, Opticians and others.</p> <p>Without the availability these generic services, Regional Centers will need to purchase them for eligible individuals receiving Regional Center services.</p>



**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
211 212	<p><b>Regional Centers: Baseline Adjustments and Federal ARRA Offset for GF in Operations.</b></p> <p>The May Revision adjusts baseline Regional Center’s Operations to reflect the following:</p> <ol style="list-style-type: none"> <li>1. Shifts \$35.9 million in expenditures to federal funds due to the enhanced federal ARRA funds.</li> <li>2. Decreases expenditures by \$8.5 million (\$2.7 million GF) to reflect a series of baseline adjustments related to caseload and enrollment.</li> </ol> <p>(\$150,000 payable from Item 4300-101-0496.) (\$41,963,000 payable from Item 4300-601- 0995.)</p>		-38,620,000	<p>The DDS budget provides funds for Regional Center “Operations” and for the “Purchase of Services”.</p> <p>Operations funds are used for intake and assessment, case management and service coordination, development of Individual Program Plans (IPPs), community resource development and administration.</p>

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
-------	-------------	--------------------	---------------	----------

**4300-101-0001 Department of Developmental Services: Community Services & Regional Centers**

**DISCUSSION ISSUES**

**208 Regional Centers:  
Plan to Reduce by \$100 million  
(GF) Reduction.**

The May Revision includes the \$100 million (GF) reduction identified from February budget deliberations. The Workgroup Plan to obtain this reduction includes:

1. Transportation Reforms
2. Uniform Holiday Schedule
3. New program for seniors
4. Custom Endeavors Option
5. Maximizing Generic Resources in Supported Living
6. Amend Supported Living
7. Utilization of local Preschools
8. Early Start—private insurance
9. Early Start—restrict eligibility
10. Change respite services
11. Cap Operations one-time costs
12. Eliminate RC Triennial Review
13. Update Parental Fee
14. Consolidate Quality Assurance
15. Use Group Instruction-behavioral

TBL In the February Budget, trailer bill directed DDS to submit a Plan to the Legislature to identify specific cost containment measures to achieve a reduction of \$100 million (General Fund) in services and administration. Since this time, a comprehensive Workgroup has been convening and has crafted comprehensive proposals to achieve this level of reduction during this fiscal crisis.

A total of 15 proposals were identified through this process and draft trailer bill language has been developed.

This Plan, including draft trailer bill language, was vetted during the Subcommittee process. The draft trailer bill language can soon be presented to the Conference Committee for adoption.

The total reduction is \$118.9 million (total funds). (\$19,800,000 payable from Item 4300-601-0995. Reduce Item 4300-101-0172 by \$900,000.)

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
213	<p><b>Regional Centers: Additional Reduction of \$234 million (GF) Proposed.</b></p> <p>The May Revision proposes an additional reduction of \$234 million (GF) to services provided through the Regional Centers.</p> <p>The Administration’s May Revision does not provide specific proposals for this additional reduction, and instead, intends to use the expertise of the Workgroup to craft proposals for the Conference Committee to consider.</p>	-234,000,000	TBL	<p>The DDS is continuing discussions using the expertise of the members of the Workgroup. It is the intent of the DDS to continue to use this consensus building process to identify additional cost-containment proposals across the system.</p> <p>It is very likely that most of these additional proposals will require trailer bill changes, and some may involve adjustments to the Developmental Centers.</p>

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
<b>4300-101-0001 Department of Developmental Services—Community Services &amp; Regional Centers</b>				
<b>CONFORMING ISSUES</b> (Issues to conform to actions taken in other areas.)				
<b>216</b>	<b>Impacts from Other Department Reductions to Services (Generics) Used by Consumers in DDS.</b>		37,000,000	(These issues will conform to issues in Item 5180, DSS, and issues in Item 4260, DHCS.)
	(Issues will conform to Item 5180, DSS, and Item 4260, DHCS.)			Generally, Regional Centers purchase services only if an eligible individual does not have private insurance or they cannot refer an individual to so called “generic” services that are provided at the local level by the State, counties, school districts and other agencies (such as IHSS). When these generic services are not available, Regional Centers would need to purchase them from various vendors. Therefore, the DDS budget would need to be increased.
	The May Revision increases by \$47.1 million (\$37 million GF) to reflect the impact to DDS of other department’s proposed reductions to services, including:			
	<ol style="list-style-type: none"> <li>1. \$4.8 million (\$4 million GF) to limit IHSS services to most functionally impaired.</li> <li>2. \$20.4 million (\$12.2 million GF) by reducing SSI/SSP grants to the federal minimum.</li> <li>3. \$15.4 million (GF) from IHSS cost containment.</li> <li>4. \$6.5 million (\$5.4 million GF) by reducing Adult Day Health.</li> </ol>			
	(\$10,100,000 payable from Item 4300-601-0995)			

**4300 Department of Developmental Services**

Issue	Description	2009 Budget Act	May Revise	Comments
217	<p><b>Restore General Fund in TANF.</b></p> <p>(This issue will conform to Item 5180, DSS.)</p> <p>The May Revision increases by \$42 million (GF) to backfill for the loss of funds provided through the Temporary Assistance for Needy Families (TANF) federal grant funds due to the proposed elimination of CalWORKS within the DSS.</p> <p>(\$42,000,000 payable from Item 4300-601-995.)</p>		42,000,000	<p>(This issue will conform to Item 5180, DSS.)</p> <p>This is a fund shift to account for the proposed elimination of CalWORKS within the Department of Social Services (DSS). Federal TANF grant funds have been used for several years as an offset for General Fund support within the DDS.</p>