
Senate Budget and Fiscal Review—Mark Leno, Chair
SUBCOMMITTEE No. 3

AGENDA

Chair, Senator Holly J. Mitchell
Senator Jeff Stone, Pharm. D.
Senator William W. Monning



May 21, 2015
10:00 a.m.
John L. Burton Hearing Room 4203

PART B

Staff: Peggy Collins

4300 Department of Developmental Services (DDS)

PROPOSED VOTE ONLY

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Issue 2	Clean-up to Address Services for Individuals in IMDs.	4
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PLEASE NOTE: Only those items contained in this agenda will be discussed at this hearing. Please see the Senate Daily File for dates and times of subsequent hearings. Issues will be discussed in the order as noted in the agenda unless otherwise directed by the Chair.

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4300 DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS)**Issue 1: Stability of Community-Based Services and Supports System - Legislative Proposal**

Background: At earlier hearings, the subcommittee discussed at length, and took extensive public comment on, the growing lack of stability of community-based services and supports due to the lack of significant rate adjustments for most community-based service providers since 2006. The 2014 budget approved by the Legislature included budget bill language to require DDS to work with stakeholders to develop a proposal relative to rate-setting methodologies for community-based services and supports, as well as make recommendations for improvements to the core staffing formula for regional centers. However, the Governor vetoed this language and instead directed the Health and Human Services Agency to convene a work group to review these issues. The agency convened its first Developmental Services Work Group meeting in December 2014. Concurrently, a Home and Community-Based Services Advisory Group was established by the Administration, and first met on February 17, 2015, to analyze issues, identify steps and processes, and develop policy recommendations involved with implementing federal home and community-based settings requirements.

May Revision: The May Revision includes no proposed increases in provider rates or adjustments for regional centers.

Staff Comments: In both the legislative and policy committee arenas, members have expressed deep concerns about the impact of a prolonged rate freeze on the quality, stability, and accessibility of services and supports in the community; and the impact on consumer services due to the outdated regional center core staffing formula. While the agency-led advisory and work group process is underway and commendable, it is not clear when this will result in tangible recommendations. Additionally, Legislators and advocates have expressed interest in tying the savings achieved from the closure of developmental centers to new investments in the community-based system that serves persons with developmental disabilities.

Staff Recommendation: Adopt the following augmentations to the Governor's May Revision, for a total new investment of \$100,941,000 (\$63,623,000 GF), and trailer bill language to 1) require the Administration to submit a plan for further rate reform, based on the work of their existing task forces, and, 2) express the Legislature's intent that the savings achieved from the closure of developmental centers be used for new investments in the community system.

Regional Center Purchase-of-Services – Rate Increases

Supported Living Services - 10% rate increase	\$46,273,000 (\$29,615,000 GF)
Supported Employment- Individual – 10% rate increase	\$1,836,000 (\$1,188,000 GF)
Supported Employment-Group – 10% rate increase	\$7,422,000 (\$4,509,000 GF)
Respite (in/out-of-home) – 10% rate increase	\$27,609,000 (\$17,670,000 GF)
Transportation – 5% rate increase	\$13,043,000 (\$8,348,000 GF)

Regional Center Operations – Targeted Enhancements

Dental Coordinators (21)	\$1,967,000 (\$521,000 GF)
Forensic Coordinators (21)	\$2,111,000 (\$1,245,000 GF)
Client Rights Contract with DRC – 10% increase	\$680,000 (\$527,000 GF)

Placeholder TBL #1:

Utilizing the work of the secretary’s Developmental Services Task Force and the department’s Home and Community-Based Services Advisory Group, the department shall make recommendations to the Legislature on January 10, 2016 for revisions to existing rate-setting methodologies for community-based services and supports for persons with developmental disabilities, and to regional center operations budget core staffing formulas, that accomplish the following:

- Support maximum federal funding participation.
- Meet the current and future needs of persons with developmental services, including those moving from developmental centers.
- Ensure that services and supports provided are cultural competent.
- Maximize consumer choice, person-centered planning, and integration in all aspects of community life.
- Reflect appropriate state and federal law and regulation requirements for caseload ratios, staffing levels, staffing competencies and qualifications, prudent auditing requirements, and other quality control measures.
- Reflect reasonable costs necessary to sustainably provide quality services and supports, including but not limited to, federal, state and local mandates regarding employee wages and benefits.

In making the recommendations required by this section, the department may propose an incremental approach based on priorities that maximize federal funding participation; assist programs in becoming compliant with new federal regulations; support persons moving from developmental centers or to

avoid institutionalization; and, ensure a sufficient complement of services and supports to meet the needs identified in individual program plans.

The department shall report to the Legislature annually, on January 10th, on its progress toward implementation of the recommendations.

Placeholder TBL #2:

It is the intent of the Legislature that General Fund savings derived from the closure of state developmental centers, including any proceeds from the sale or lease of developmental center lands, benefit persons with developmental disabilities living in the community.

The department shall display annually in their January and May budget documents, for any year in which it is applicable, all the following:

1. All General Fund savings or gains reasonably associated with the downsizing or closure of a developmental center, including proceeds from the sale or lease of developmental center lands.
2. All General Fund community investments reasonably associated with the downsizing or closure of a developmental center, including the costs associated with the development and provision of services and supports for persons moving from a developmental center or at risk of institutionalization.

Issue 2: Clean-up to assist persons in IMDs

Background: Disability Rights California is the federally-mandated protection and advocacy organization for California. Client rights advocacy services for persons receiving services through a regional center are provided through a contract with Disability Rights California through their Office of Client Rights Advocates (OCRA). Among its other duties, OCRA is charged with assisting individuals move to a less-restrictive setting.

Current law limits the length of time a consumer may be placed in an Institute for Mental Disease (IMD) and required regional centers to take certain actions relative to planning for, and providing, the services and supports a person will need in order to move from an IMD. According to OCRA, some regional centers take the view that these provisions do not apply when the regional center is not responsible for placing the individual in the IMD.

Staff Recommendation: Adopt the placeholder trailer bill language to ensure that the regional center remains responsible regardless of who makes the initial IMD placement.

Issue 3: TECHNICAL CORRECTION: Additional Community Placement Plan (CPP) Funding for the Closure of Sonoma Developmental Center – Issues 519MR and 619MR

May Revision Request: The May Revision proposes an augmentation of \$46.7 million (total funds) for start-up and placement costs; of that, \$1.3 million is for regional center operational costs to coordinate activities and placements.

Staff Comments: This action corrects a technical error on the May 19th agenda, the change is underlined in the staff recommendation and distinguishes the General Fund. The subcommittee previously approved this issue on a 3-0 vote.

Staff Recommendation: Approve May Revision. Approve a technical correction to schedule \$46.7 million (\$44.4 million GF) in the purchase-of-services budget and \$1.3 million in the regional center operations budget.