

Senate Budget and Fiscal Review—Nancy Skinner, Chair

SUBCOMMITTEE NO. 3

Agenda

Senator Susan Talamantes Eggman, Ph.D., Chair
Senator Melissa Melendez
Senator Richard Pan, M.D.



Tuesday, February 23, 2021
1:30 p.m.
State Capitol - Room 3191

Consultant: Renita Polk

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PUBLIC COMMENT

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4300 DEPARTMENT OF DEVELOPMENTAL SERVICES (DDS)

The Department of Developmental Services is responsible for administering the Lanterman Developmental Disabilities Services Act (Lanterman Act). The Lanterman Act provides for the coordination and provision of services and supports to enable people with developmental disabilities to lead more independent, productive, and integrated lives. Additionally, the Early Start Program provides for the delivery of services to infants and toddlers at risk of having a developmental disability. The department carries out its responsibilities through contracts with 21 community-based, non-profit corporations known as regional centers, as well as through state-operated homes and facilities.

**Department of Developmental Services
Expenditures by Fund Source**

* Dollars in thousands

Grand Total By Fund	Fiscal Year	
	2020-21	(Proposed Budget) 2021-22
General Fund	\$5,903,013	\$6,490,683
Federal Funds	\$57,022	\$57,049
Reimbursements	\$3,877,44	\$3,954,217
Lottery Education Fund	\$126	\$126
Program Development Fund	\$1,249	\$2,289
Developmental Disabilities Services Account	\$150	\$150
Mental Health Services Fund	\$1,240	\$1,240
Total All Funds	\$9,840,241	\$10,505,754

Issue 1: Budget Summary and Caseload and Utilization Updates

Governor's Proposal. The Governor's Budget updates the department's 2020-21 budget to include \$9.8 billion (\$5.9 billion General Fund) and includes \$10.5 billion (\$6.5 billion General Fund) for 2021-22. The number of individuals served by regional centers (consumers) is expected to be 357,819 in the current year and increase to 386,431 in 2021-22.

Community Services (Regional Centers). The regional center budget includes \$9.4 billion (\$5.5 billion General Fund) in 2020-21 and \$10 billion (\$6.1 billion General Fund) in 2021-22. The updated current year caseload projections reflect a decrease of 8,534 consumers compared to the enacted budget. To support regional centers in addressing changes to the demand for services created by the COVID-19 pandemic, and address the anticipated backlog in new referrals, regional center operations were not adjusted for the lower caseload. For 2021-22, the department is forecasting an increase of 28,612 consumers compared to the updated current year.

State-Operated Facilities. The updated 2020-21 updated budget includes \$363.7 million (\$315.6 million General Fund), a decrease of \$19.1 million compared to the enacted budget. The 2021-22 budget includes \$344.1 million (\$308.9 million General Fund), a decrease of \$19.6 million (\$6.7 million General Fund) compared to the updated current year budget.

Headquarters. For 2020-21, the Governor's budget includes \$107.9 million (\$65.8 million General Fund) for headquarters, a decrease of \$6.9 million compared to the enacted budget. The decrease is comprised of compensation and retirement reductions and compensation and retirement adjustments approved through the collective bargaining process and budget Item 9800 – Employee Compensation Adjustments. For 2021-22, the Governor's budget includes \$123.6 million (\$73.5 million General Fund) for headquarters, an increase of \$15.6 million compared to the updated current year budget.

Legislative Analyst's Office (LAO) Comments. The caseload in DDS's Early Start program, which is for infants and toddlers under age three, has grown 7.1 percent on average annually. For those ages three and older, the caseload has grown by 4.3 percent on average annually. As the pandemic set in and wore on, enrollment in the Early Start program declined by 13.9 percent over ten months, dropping from 47,594 infants and toddlers in March 2020 to 40,965 infants and toddlers in January 2021. Among individuals ages three and older, growth still occurred, but it slowed somewhat to 2.6 percent over the ten months, with caseload increasing from 303,458 to 311,416 individuals.

The pandemic has affected the number of individuals seeking services from DDS for a variety of possible reasons. With authority granted by the Governor's March 12 executive order, DDS began taking steps early to try to mitigate some of the pandemic's potential adverse effects on enrollment and access to services (discussed in more detail in the next agenda item).

Despite the steps taken by DDS to bolster enrollment, the caseload is coming in below the administration's estimate for 2020-21 in the enacted budget. The department has indicated that it will continue to make efforts to ramp up enrollment over the coming months, including maintaining funding for regional center service coordination at levels commensurate with traditional growth in caseload, rather than keeping it in line with the much lower caseload growth that occurred in 2020. The administration estimates that DDS will serve 386,431 individuals in 2021-22, up 8 percent over its revised 2020-21 caseload estimate. According to the LAO, the assumed rate of growth is very optimistic compared to historical trends. The LAO projects growth of five percent in Early Start and 3.5 percent among individuals ages three and older. Based on estimated costs per person in each group, the LAO believes that General Fund costs in the proposed 2021-22 DDS budget potentially are overstated by more than \$200 million. However, particularly given the significant uncertainty with projecting caseload during an unprecedented pandemic, the LAO is not recommending that the Legislature make a downward adjustment to the DDS budget at this time.

Staff Comment and Recommendation. Hold open.

As mentioned in the LAO comment, the caseload is coming in below the Administration's estimates. While staff does not propose downward adjustments to the department's budget due to this fact, the low caseload does raise concerns around access to services. The Early Start program provides services for toddlers and infants at risk of a developmental disability. Receiving services during this time (age 0-3) is critical to development. According to the Centers for Disease Control, children with

developmental disabilities who are not identified until they are in school may be at risk for more significant delays due to missed opportunities for treatment. Lower than expected caseload suggests that eligible children that would benefit from these services are not receiving them. The Subcommittee may want to inquire about the department's plans for ensuring that all children and families who are eligible and need these services are accessing them.

Questions.

1. Please provide a brief overview of the department's budget.
2. Please describe how the department developed its caseload estimate for the 2021-22 budget year.
3. As mentioned above, the pandemic has had a significant effect on enrollment in services, particularly Early Start. Please detail the steps the department is taking to find and provide services for the children that are missing out due to the pandemic. How have school closures affected the Early Start Program?

Issue 2: COVID-19 and Emergency Response

Governor’s Proposal. The Governor’s budget includes \$265.1 million (\$183.2 million General Fund) in 2021-22 for ongoing costs related to COVID-19 response. These costs include \$36.7 million for the development of “surge sites” to serve consumers diagnosed with, exposed to, or at high risk of COVID-19. The proposed funding will support an average of 25 beds each at Fairview and Porterville Developmental Centers for six months. Other funded activities include increased residential supports, respite, and quarantining in the community. The table below breaks down the increased COVID-19 costs between regional centers and state-operated facilities.

Increased Costs for COVID-19		
	2020-21	2021-22
Regional Center Services		
Community Care Facilities	\$104,133	\$8,010
Day Program Services	-\$28,556	0
Habilitation Services	-\$2,567	0
Transportation	-\$13,152	-\$13,973
Support Services	49,501	\$3,176
In-Home Respite	\$76,950	\$56,110
Out-of-Home Respite	-\$4,048	0
Health Care	-\$20,300	0
Miscellaneous	\$10,029	0
RC Surge ¹	\$170,000	\$175,000
State-Operated Facilities		
Surge Sites at Fairview and Porterville	\$82,628	\$36,746
Total	\$424,618	\$265,069

*Dollars in thousands

¹Note that “RC Surge” is different from the surge sites at Porterville and Fairview Developmental Centers.

Additionally, the Governor’s budget includes \$2 million (\$1.4 million General Fund) for twenty-one positions, one at each regional center (RC), to support emergency planning and preparation coordination by RCs.

COVID-19. On March 4, 2020, Governor Gavin Newsom declared a State of Emergency for California in response to the global COVID-19 pandemic. Because of COVID-19, the department has experienced increased costs in supporting regional center consumers. These costs include providing additional support for consumers in their homes as well as the development of “surge sites” to serve consumers diagnosed with, exposed to, or at high risk due to COVID-19. The Governor’s budget supports the department’s safety net program for individuals with developmental disabilities to meet the additional needs of consumers during the public health crisis. These include short-term impacts, as well as long-term challenges that will continue into 2021-22. The department’s budget recognizes the need for additional resources in residential settings, including the family home, as well as the impacts of decreased access to other community services because of the COVID-19 pandemic.

DDS Directives. To mitigate the negative effects of the pandemic on the developmental services system the department has issued a series of directives since March 2020. A select few of these directives are detailed below.

- Active Directives Issued Under Executive Order (EO) N-25-20 (extended in 30-day increments as required by EO)
 - Allowing Early Start eligibility, service coordination activities, and services to be conducted remotely when requested.
 - Waiving the requirement that Early Start services end at age 3 (only applies to children who have received Early Start services and reached their third birthday during the state of emergency).
 - Allowing RC Executive Directors to grant rate adjustments for residential and/or supplemental services in residential settings.
 - Allowing Lanterman Act services to be provided in alternate locations or remotely when requested.
 - Allowing RCs to conduct intake meetings, evaluations, and assessments remotely.
 - Allowing RC to determine presumptive eligibility when they are reasonably certain an individual is eligible.
 - Waiving Family Cost Participation Program and Annual Family Program Fee costs and fees.
 - Authorizing RCs to pay a residential facility for consumer absences due to COVID-19 if no other consumer occupies the vacancy or until it is determined the consumer will not return to the facility.
- Active Directive Issued under EO N-75-20 (no expiration date)
 - Policies and procedures for utilizing Alternative Nonresidential Services including allowable services, provider certifications, service rates, etc.
- Active Directives Issued under Director Health and Safety Authority (no expiration date; effective until rescinded)
 - Requiring screening for anyone who enters Adult Residential Facilities for Persons with Special Health Care Needs (ARFSPHN) and ICF/DD-CN.
 - Limiting visits to licensed residential facilities to those who need entry as necessary for the prevention, containment, and mitigation of COVID-19.

- Requiring providers and RC to complete a Special Incident Report when an individual tests positive for COVID-19, receives medical attention due to COVID-19 symptoms, or an individual's death is related to COVID-19.
- Authorizing RCs to pay an increased rate of reimbursement for overtime hours for Participant-Directed Respite Service (\$25.55 per consumer per hour).
- Authorizes RCs to reimburse Supported Living Services providers at a rate of \$48.06 per hour when necessary to provide 24 hours per day supports.
- Requires RCs to develop or include in an existing plan, the RC's plan for COVID-19 testing and vaccinations.
- Allows RCs to submit to DDS proposals and requests for workload relief to focus more time on consumer health and safety.

Participant Directed Services. Participant-directed services let the consumer or family choose who to hire, schedule when the person works, and supervise the work. Individuals who live in their own home, their family home and some community living arrangements can use them. Before the COVID-19 pandemic, consumers could only use a participant-directed model for respite, day care, non-medical transportation, nursing, and day services. During the public health emergency, consumers will also be permitted to use the participant-directed model for personal assistance, independent living skills, and supported employment services.

Alternative Nonresidential Services Model. The Alternative Services model is a way for consumers to receive nonresidential services that may have been disrupted during the state of emergency. Service providers that normally offer services in a congregate setting can offer supports that differ from the traditional program design and respond to new needs that have emerged as a result of the pandemic.

Emergency Coordinators. The pandemic has focused attention on the need for emergency coordination at regional center however the regional centers have been also been grappling with wildfires, public safety shutoffs and other natural and manmade emergencies with increasing frequency over the years. The department and regional centers have indicated that they are coordinating on how best to utilize the requested emergency coordinator positions to address these emergencies. Advance planning, having pre-existing relationships, developing training and expertise, and having a dedicated point-person to coordinate efforts when the need arises are key to successfully minimizing harm and saving lives. Similarly, the activities during a response are critical: sharing information, coordinating supplies and contracted services, ensuring and verifying well-being, and reporting necessary information for incident management and planning. The department has identified the following as principal considerations at the forefront of their coordination: preparedness, response, and recovery; mutual aid; training standards; community and government engagement; and coordination versus performing. The Administration notes that each regional center has a different experience and a different set of staff experience and skills, which will be factored into future planning. Discussions between the department and regional centers will center around the following questions:

- How can the next steps for recruitment and training be operationalized, so that the IDD system can benefit from these resources before and during the coming Fall fire season?
- Given varying local needs, available skillsets, and visions for the position, how to promote inter-regional center interaction and sharing of best practices to support needed mutual aid across catchment area boundaries as dictated by the needs of a particular event?
- Are there opportunities for shared training?
- How best to develop and disseminate standard preparedness information to people with IDD and their caregivers, considering the diversity of conditions, events, geographies, and language?
- How to increase awareness about regional centers and people with IDs among other state and local emergency operations center agencies and their employees, and in the community more generally?

Staff Comment and Recommendation. Hold open.

Panel. In addition to the Department of Developmental Services (DDS), the Department of Finance (DOF), and the Legislative Analyst's Office (LAO) the Subcommittee has requested the following panelists to provide comment on this proposal.

- Gabriel Rogin, Executive Director, North Bay Regional Center
- Mark Melanson, Executive Director, California Community Living Network

Questions

For DDS:

1. Please provide an overview of the Governor's proposals concerning COVID-19 response and emergency coordinators.
2. What are some challenges that the department has faced during the COVID-19 pandemic? How have the department-issued directives help to overcome those challenges? What challenges remain?
3. The 2019 Budget Act authorized funding for a reorganization of the department, including 21 RC liaison positions. How have these positions aided in COVID-19 response?
4. Has the department's response to the pandemic provided any insight into long-term policy changes that could be enacted to better serve consumers and address specific continuing challenges that the department faces and not just during a public health emergency?

For Gabriel Rogin:

1. What are some challenges that the regional center has faced during the COVID-19 pandemic? How have the department-issued directives helped to overcome these challenges?
2. Are there specific directives that have been especially beneficial?
3. How has the regional center had to adapt and change its operations in response to the pandemic and other emergencies such as wildfires and public safety shutoffs?
4. What are your thoughts on the proposal to add emergency coordinator positions at each regional center?

For Mark Melanson:

1. Please describe the challenges that providers of in-person services have experienced during this pandemic. What challenges remain?
2. What are some of the different ways providers have had to adapt and change their operations during the public health emergency?
3. Are there specific directives that have been especially beneficial to providers?

Issue 3: Extension of Funding Proposed for Suspension

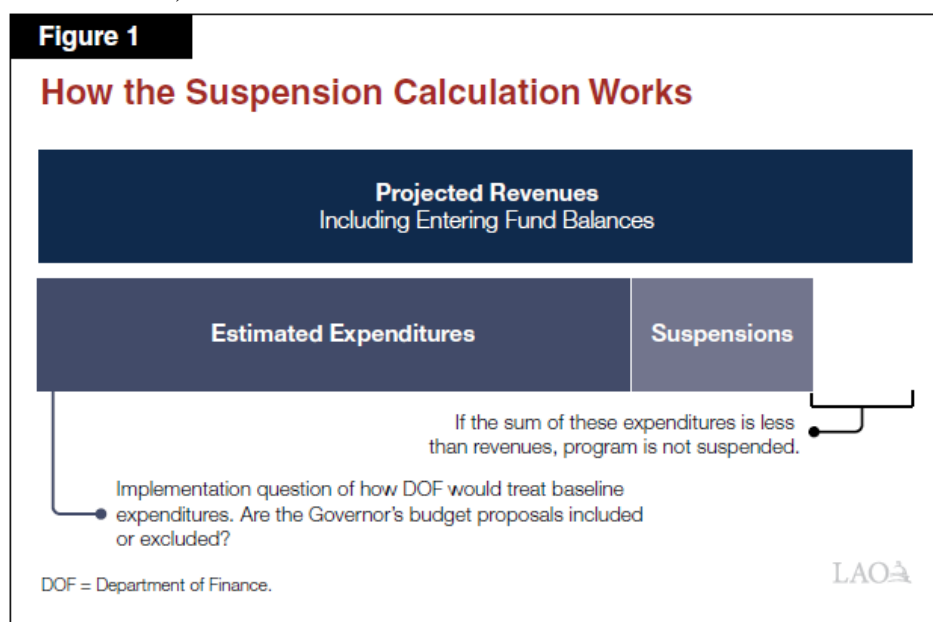
Governor’s Proposal. The Governor’s budget includes \$510.5 million (\$297 million General Fund) in 2021-22 for the extension of the below funding through December 31, 2022.

- \$436.7 million (\$246.4 million General Fund) in 2020-21 and \$454.6 million (\$261.2 million General Fund) for specified provider rate increases of up to 8.2 percent.
- \$52.6 million (\$33.7 million General Fund) in 2020-21 and \$55.9 million (\$35.8 million General Fund) for the continued suspension of the Uniform Holiday Schedule.

Note that under current law the Department of Finance (DOF) would determine whether to suspend this funding in coming years at the 2021 May Revision. The Governor proposes new suspension language that would give DOF the authority to make this calculation again at the time of the May Revision in 2022. More detail on these calculations is below.

Background. In the 2019-20 May Revision, the Administration anticipated an operating deficit would emerge—absent further actions—under its multiyear projections. In response, the final budget act made some program spending amounts subject to a potential suspension. Under this budget bill language, if certain conditions persisted, these program costs would be suspended—resulting in General Fund savings—on December 31, 2021. This language was included in both the 2019-20 and 2020-21 budget acts.

Current law empowers the DOF to administer the suspension calculation. Under the formula, DOF compares estimates of General Fund revenues to General Fund expenditures—without suspensions—in 2021-22 and 2022-23. If DOF determines projected revenues will exceed expenditures, then the programs’ ongoing expenses continue on an ongoing basis. If not, expenditures across nearly a dozen different programs are automatically suspended (with no explicit provision for reinstatement).



Under current law, the suspension calculation would occur once: at the 2021 May Revision. If, at that time, DOF finds revenues exceed expenditures for both 2021-22 and 2022-23, the suspensions would not become operative and the costs would continue on an ongoing basis. Rather than executing the suspension calculation this May, the Governor's budget proposes a new suspension calculation in 2022. Specifically, the Governor proposes that the Legislature enact new suspension language that would give DOF the authority to make this calculation again at the time of the May Revision in 2022. In this case, the calculation would apply to 2022-23 and 2023-24. Suspensions would occur, under the Governor's proposal, on December 31, 2022 if revenues were not sufficient to cover expenditures.

Supplemental Rate Increases. The 2019 budget provided for \$206.7 million (\$125 million General Fund) to provide rate increases of up to 8.2 percent for specified service providers, effective January 1, 2020. The services authorized for the supplemental rate increases were informed by the service provider rate study submitted by the DDS to the Legislature in March 2019. The rate study suggested varying levels of provider rate increases for most, but not all service codes. While the rate study has not been implemented, the 2019 Budget Act authorized rate increases for only those services that would have received increases if the rate study were implemented.

A public comment period followed the release of the rate study. While hundreds of comments were received, the most frequent comments related to the suggested rates for Independent Living Programs, Infant Development Programs, and Early Start Specialized Therapeutic Services. The public comment identified areas where the methodology for establishing these rates (e.g. qualifications and resulting salaries for staff, etc.) was not consistent with how the services are delivered. The DDS concurred with this feedback and determined that had the rate models considered these factors initially, these services would have been recommended for increases in the March 2019 rate study and therefore would have been included in the services identified for rate increases in January 2020.

The Governor's proposed funding for supplemental rate increases was originally based on the department's rate study. The rate increases were effective January 1, 2020, for most services, with rate increases for three additional services (Independent Living Program, Infant Development Program, and Early Start Specialized Therapeutic Services) effective January 1, 2021. When originally authorized, statute indicated these rate increases would be suspended effective December 31, 2021, unless specified fiscal conditions were met. The administration is proposing accompanying trailer bill language to extend the rate increases to December 31, 2022.

Uniform Holiday Schedule. As part of a package of budget solutions passed in 2009 in response to a significant state budget deficit, the state enacted a policy prohibiting RCs from paying service providers on 14 set holidays per year. This meant that service providers either did not provide services on those days or absorbed the cost without payment. The policy also required that the 14 holidays be uniform statewide (in other words, it could not be any 14 days throughout the year). Implementation of the policy has been suspended since 2018. This suspension is currently scheduled to sunset on December 31, 2021. However, the administration is proposing accompanying trailer bill language to extend the suspension of this policy to December 31, 2022. Funding is provided to allow regional centers to provide services to consumers according to their individual holiday schedule.

Legislative Analyst's Office (LAO) Comment. The suspension language treats policies that are fundamentally ongoing in nature as temporary. For example, health and developmental services-

related spending amounts subject to suspension generally support core programmatic funding intended to improve consumer access to an entitlement program. The suspension language creates uncertainty in these programs, which can pose problems for providers and recipients of these services. The potential suspension of supplemental rate increases for developmental services providers makes staffing and planning more difficult. For example, hiring permanent staff to work directly with program consumers is more challenging when the funding is uncertain. Similarly, retaining staff may be more difficult if a provider cannot assure employees that any pay increase will remain intact. More staff turnover means less stability for consumers. In some cases, this uncertainty can work against the Legislature's objectives for the spending. The suspension language enacted into law in 2019-20 was framed as a one-time determination made in May 2021. By proposing a new suspension calculation, however, the administration appears to intend to make this calculation ongoing.

The LAO recommends the Legislature reject the Governor's proposal to create new budget bill suspension language. Considering that the cost of the suspension items directly fund core state services, including those costs in multiyear fiscal projections is appropriate. Given the state's multiyear deficits, however, the state likely will need to make changes to its budget within the next few years. As it stands, the state probably cannot afford existing programs, avoid the suspensions, and fund the Governor's proposals over the next few years. According to the LAO, General Fund costs associated with rejecting the two proposals discussed in this item amount to \$159 million in 2022-23 and \$325 million in 2023-24.

Staff Comment and Recommendation. Hold open.

As noted in the LAO comment, the items proposed for suspension fund core services. The Subcommittee should consider whether it makes sense to continue to suspend funding for these core services. Suspending funding for these programs, specifically the supplemental rate increases, treats these rate increase as temporary and makes it difficult for them to have their intended effect.

Staff notes that the supplemental rate increases described above were derived from the department's rate study, completed in 2019. That study found that the developmental services system as a whole is significantly underfunded (by roughly \$1.8 billion). While there is an agreement that the system is inadequately funded, there is no consensus on how to approach the problem. The Legislature and the Administration must agree on what this approach will be and what will be included in that approach. Given that this funding is proposed for suspension and is not ongoing, the Legislature would like to know what the department's long-term vision is. How does the department plan to address some of its long-term challenges, such as underfunding and a growing consumer population? The Subcommittee may want to consider taking specific action to address other challenges within the system. For example, the Legislature may want to require the DDS to submit a strategic plan documenting, in detail, the long-term view of the system and how it will address its challenges.

Panel. In addition to the Department of Developmental Services (DDS), the Department of Finance (DOF), and the Legislative Analyst's Office (LAO) the Subcommittee has requested the following panelists to provide comment on this proposal.

- Jordan Lindsey, Executive Director, the ARC of California

Questions.

For DOF:

1. Please provide an overview of the proposal.
2. When originally proposed, the suspension calculations were framed as a one-time determination to be made in May. However, the Administration is now proposing a new suspension calculation. Does the Administration intend to make the suspension calculation ongoing?

For DDS:

1. How does the department plan to address some of its long-term challenges, such as underfunding, complying with federal Home and Community Based Service rules, and a growing consumer population?

For Jordan Lindsey:

1. Please describe the impacts the suspension of this funding would have on consumers and the providers that serve them.

Issue 4: Self Determination Program Implementation Update
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Governor’s Proposal. The Governor’s budget includes a total of \$24.6 million (\$12.3 million General Fund) for the Self-Determination program in 2021-22. 2019-20 actual Self-Determination Pilot Program (SDP) expenditures and client counts were used in forecasting SDP. Funding was distributed to each budget category based on the percent of Home and Community Based Services waiver expenditures by budget category.

Self Determination Program. SB 468 (Emmerson), Chapter 684, Statutes of 2013, allowed for the development of a statewide SDP. The California SDP is a voluntary alternative to the traditional way of providing regional center services. The SDP allows participants to have more control over selecting their services and supports. Participants (or their parents or legal representatives) are given a specific budget to purchase the services and supports that they need to make their person-centered plan work better for them. Participants may choose their services and pick which providers deliver those services. Participants are responsible for staying within their annual budget. The program consisted of a three-year phase-in period where the program was only allowed to serve a maximum of 2,500. Later this calendar year, the program will be open to all eligible consumers statewide.

A timeline of the events leading up to the statewide implementation of the program is provided below.

Date	Activity
June 11, 2014	Self-determination advisory group formed to assist the DDS in shaping the program.
December 31, 2014	The DDS submitted a Home and Community-based Services Waiver application seeking federal funding for the program.
September 29, 2015	After a public comment period and answering additional questions from the federal government, the DDS resubmitted its application seeking federal approval.
September and October 2017	The DDS began holding training for those wishing to conduct program informational meetings. RCs, consumer organizations, and community-based organizations were all invited to participate in this training. During this time, the DDS also held meetings with its SDP workgroup to provide updates on the program.
March 13, 2018	The DDS again submitted the waiver application to the federal government, after answering additional questions.
June 7, 2018	The federal government approved the application for federal funding for the SDP.
October 1, 2018	The DDS selected the initial 2,500 participants in the SDP.

December 21, 2018	The DDS released directives related to independent facilitators and financial management services in the SDP.
January 11, 2019	The DDS released a directive related to individual budget development in the SDP.
November 22, 2019	After approximately 450 consumers decided not to continue in the SDP the DDS selected additional participants for the program.
March 2, 2020	Notification providing guidelines on the use of regional center funding to support the implementation of the program went out to regional centers.

Report on SDP. Current law requires the State Council on Developmental Disabilities to issue an interim report no later than June 30, 2021, on the status of the SDP, barriers to its implementation, and recommendations to enhance the effectiveness of the program. The interim report will also provide an update to the program's status, each regional center's cap on participation and progress toward that cap, the most recent statewide and per-regional-center participant count, and the historical trend in the statewide participation count since the start of the program. The final report shall be submitted to the Legislature by December 31, 2022, and provide recommendations to enhance the effectiveness of the program.

Staff Comment and Recommendation. Hold open.

Panel. In addition to the Department of Developmental Services (DDS), the Department of Finance (DOF), and the Legislative Analyst's Office (LAO) the Subcommittee has requested the following panelists to provide comment on this issue.

- Aaron Carruthers, Executive Director, State Council on Developmental Disabilities

Questions.

For DDS:

1. Please provide an update on program implementation, including data on the number of enrollees and how many enrollees have begun to receive services through the program.
2. During the initial phase-in period, the department was able to enroll up to 2,500 consumers yet enrollees never reached that number. What is the department's plan to enroll all interested consumers once enrollment opens up to all eligible consumers later this year?

For Aaron Carruthers:

1. What are some barriers to the implementation of the program that you are seeing?
2. What are some potential solutions to these barriers?

Self-Determination Program - Regional Center Report Summary
Summary of Data for Continuing Participants
Updated from December 2020 Reports**

SDP Spaces at Each RC	Total Selected	Total Withdrawals (2018 to Date)	Regional Center Self-Reporting										DDS Informational System	
			Continuing Participants	Number of Continuing Participants Who Completed an Orientation**	Percentage of Continuing Participants Who Completed an Orientation ***	Number of Continuing Participants Who Have an Individual Budget Certified**	Percentage of Continuing Participants Who Have an Individual Budget Certified ***	Number of Continuing Participants Who Have a Spending Plan Completed**	Percentage of Continuing Participants Who Have a Spending Plan Completed ***	Number of Continuing Participants Who Have Obtained an FMS **	Percentage of Continuing Participants Who Have Obtained an FMS ***	Number of Participants Receiving Services Through SDP (# from the Pilot)		
ACRC	179	268	162	106	81	76%	*	*	*	*	*	*	*	
CVRC	140	185	72	113	103	91%	69	61%	31	27%	31	27%	29	
ELARC	110	146	53	93	87	94%	30	32%	26	28%	32	34%	33 (18)	
FDLRC	73	90	39	51	48	94%	20	39%	19	37%	18	35%	19	
FNRC	60	85	35	50	41	82%	35	70%	27	54%	23	46%	28	
GGRC	68	89	25	64	53	83%	11	17%	*	*	*	*	*	
HRC	99	128	37	91	88	97%	26	29%	17	19%	16	18%	16	
IRC	266	317	48	269	176	65%	17	6%	14	5%	15	6%	15	
KRC	95	133	58	75	74	99%	39	52%	39	52%	41	55%	39 (28)	
NBRC	66	88	20	68	51	75%	*	*	*	*	*	*	*	
NLACRC	183	231	72	159	145	91%	26	16%	25	16%	25	16%	25	
RCEB	154	191	63	128	118	92%	31	24%	25	20%	25	20%	26	
RCOC	151	204	57	147	137	93%	56	38%	18	12%	15	10%	16	
RCRC	55	65	12	53	52	98%	38	72%	35	66%	35	66%	35 (22)	
SARC	125	158	56	102	91	89%	34	33%	26	25%	25	25%	27	
SCLARC	110	139	47	92	90	98%	*	*	*	*	*	*	*	
SDRC	207	271	69	202	155	77%	56	28%	41	20%	39	19%	40 (*)	
SGPRC	95	146	79	87	55	82%	17	25%	14	21%	15	22%	14	
TCRC	110	177	122	55	52	95%	18	33%	14	25%	*	*	* (*)	
VMRC	100	132	32	100	75	75%	53	53%	34	34%	34	34%	35	
WRC	64	83	14	69	65	94%	34	49%	18	26%	20	29%	17	
Statewide Totals	2500	3326	1172	2154	1837	85%	610	28%	423	20%	409	19%	447	
														72 Pilot Participants

Notes: *In accordance with DDS Data De-Identification Guidelines, counts between one and ten have been suppressed.

**Participants may engage in multiple activities related to program implementation simultaneously; numbers may be duplicative in each category and do not include participants in the process of completing a milestone.

***For the columns that express percentages, the percentage is out of the number of continuing participants.

Issue 5: Community Navigators

Governor’s Proposal. The Governor’s budget includes \$5.3 million (\$3.2 million General Fund) ongoing to contract with Family Resource Centers (FRCs) to administer community navigator programs and improve access to generic and regional center services.

The requested funding includes \$500,000 in 2021-22 for a one-time evaluation focused on improving the effectiveness of existing disparity projects and \$4.8 million for community navigator programs. After 2021-22, all \$5.3 million would be provided for community navigator programs.

Family Resource Centers. California’s network of Family Resource Centers provides family-to-family support, strengthening families’ ability to fully participate in service planning and their capacity to care for their infants and toddlers. FRCs actively work in partnership with local regional centers and education agencies and help many parents, families, and children get information about early intervention services and how to navigate the Early Start system. The Early Start program provides early intervention services for families and their children from birth up to age three with developmental delays, disabilities, or conditions which place them at a high risk of disabilities. California’s FRCs are staffed by parents who have children with special needs and provide information and parent-to-parent support. Each FRC is unique, reflecting the needs of its community. They may operate as independent sites or be based in regional centers, local education agencies, public health facilities, hospitals, or homes. Family support services are available in many languages and are culturally responsive to the needs of the individual family. Currently, 38 contractors provide services through 47 FRCs across the state.

Specific services provided by FRCs include:

- Parent-to-parent family support
- Peer counseling and home visits
- Information and referral
- Public awareness
- Parent education
- Assistance with transition from Early Start at age 3
- Support services in various languages
- Translation assistance
- Support services in urban and rural communities

Not including the proposal discussed here, the 2021-22 budget includes \$4.7 million (\$2 million General Fund) for FRCs and services.

Disparities Grants Program. Assembly Bill 1 X2 (Thurmond), Chapter 3, Statutes of 2015-2016 Second Extraordinary Session, provided \$11 million General Fund to assist regional centers in the implementation of strategies to reduce purchase of services (POS) disparities. Regional centers submitted applications for funding to help address identified areas of disparity. Regional centers were also required to consult with stakeholders regarding activities that may be effective in addressing disparities and the regional center's proposed requests for funding. Each fiscal year since then the budget has included \$11 million for these projects. In 2017-18, funding was opened up to community-based organizations in addition to regional centers. The department has indicated that it intends to initiate discussions with organizations that are not meeting project goals and objectives, and may determine if continued project funding is appropriate. Each organization with approved funding will be required to submit quarterly status reports, throughout the life of the project. The department will evaluate status reports to ensure funding is being used per state rules, sufficient data is being collected to measure the project's effectiveness, and the project's goals and objectives are being achieved.

A list of approved projects, their summaries, and the amount of allocated funding can be found at <https://www.dds.ca.gov/rc/disparities/disparity-funds-program/awarded-projects/>.

A review of 2018-19 purchase of service (POS) expenditures reflects the following average per capita expenditures for all age groups by ethnicity, illustrating existing disparity gaps:

- \$27,931 for individuals who are White
- \$22,941 for individuals who are Black/African American
- \$14,836 for individuals who are Asian
- \$11,760 for individuals who are Latinx/Hispanic

It is worth mentioning that some of these POS expenditure differences may be driven by different age concentrations and different cultural approaches to out-of-home care.

Navigator projects have utilized parents of RC consumers familiar with the system to help other families and RC consumers access services. Navigators have demonstrated a benefit to underserved communities through increased empowerment of parents, increased knowledge about generic and RC services, and a feeling of greater support and engagement for families. Navigators share a community, language, ethnicity, and culture with the families they support, offering assistance and education to reduce barriers in accessing services.

Based on a DDS analysis of purchase of services expenditures, service access increased 72 percent for participants in a Promotora project, compared to 13 percent for participants who did not participate in a Promotora project. The Promotora model uses community members who receive specialized training to provide education within their community. In other projects, participants reported an increased ability to navigate the RC system, more knowledge about generic services, and a greater sense of empowerment in seeking needed supports.

This proposal expands navigator services statewide to improve access to services that meet the needs of individuals and families and standardizes certain program activities and measures to allow for a more robust program monitoring and evaluation, according to the department. Standardizing program elements means that Community Navigators will more closely follow evidence-based and peer-reviewed program designs. According to the department, this proposal implements statewide strategies to better address barriers that individuals of color face in accessing and utilizing generic and RC services in their communities. Strategies include, but are not limited to, building trust with RC staff, providing education on available services and guidance on how to identify and request needed services, and connecting families with peer support that has experience with the RC system.

Staff Comment and Recommendation. Hold open.

The budget includes \$500,000 to be used for an evaluation of the disparities grants program. However, staff is unclear on the details of the evaluation. For instance, the department is unsure of the timeline for the evaluation. The Subcommittee may want to request more detail on the evaluation and how it will be conducted. Additionally, the Subcommittee may want to modify the proposed language to ensure that specific elements of importance are included in the evaluation.

The proposed community navigator proposal is based on existing navigator projects that have been funded with disparities grants. However, as mentioned above, no formal evaluation of these programs has been conducted. The department has stated that service access increased for participants who participated in these projects, but it is unclear how service access was measured. The Subcommittee may want to ask the department to provide additional data on how project outcomes were measured.

The department plans to consult with stakeholders on the design of the community navigator proposal but there is no direction in the proposed language as to what groups should be included, such as self-advocates or FRC representatives. The Subcommittee may want to provide input on the types of stakeholders to be included, as well as other elements such as program design and outcome reporting.

Panel. In addition to the Department of Developmental Services (DDS), the Department of Finance (DOF), and the Legislative Analyst's Office (LAO) the Subcommittee has requested the following panelists to provide comment on this proposal.

- Fernando Gomez, Vice President, Disability Voices United

Questions.

For DDS:

1. Please provide an overview of the proposal and additional detail on the services the community navigators will provide. How did the department decide on the specific dollar amount? Are the funds intended to support an additional community navigator at each FRC?
2. Please provide more detail on the specific strategies the department plans to standardize with this proposal. Will the community navigators provide services that are not currently available from FRCs?

3. Please provide an update on data from the approved funded projects to address disparities. Has the department begun to see a change in the purchase of service disparities due to these projects?
4. What is the general timeline to evaluate the funded disparities projects?

For Fernando Gomez, Vice President, Disability Voices United:

1. From the family/consumer perspective, have the funded projects to address disparities been meeting their intended purpose?
2. What are your thoughts on the community navigator proposal?

For DOF:

1. How did the department determine the funding amount for this proposal? Will each FRC receive the same amount of funding?

Issue 6: TBL - Acute Crisis Clarification and Admission Extension and Residential Facilities for Special Health Care Needs

Governor’s Proposal. The Governor’s budget includes the following two pieces of trailer bill language:

- Trailer bill language that would update references to Stabilization, Training, Assistance, and Reintegration (STAR) residences to reflect recent developmental center closures and extend the sunset date through June 30, 2022, for Canyon Springs STAR services given challenges in developing the homes. The proposed language also clarifies the civil commitment statutes authorizing acute crisis admissions made according to Welfare & Institutions Code (WIC) 6500
- Trailer bill language to amend WIC to allow for the development and use of Adult Residential Facilities for Persons with Special Health Care Needs (ARFPSHNs) and Group Homes for Children with Special Health Care Needs (GHCSHNs) for individuals who currently reside in the community and are at risk of moving to more restrictive settings. Current law only allows for the development of these homes for individuals moving from developmental centers.

STAR Residences. Current law limits the circumstances in which an individual may be admitted to a state institution for persons with developmental disabilities (WIC Section 7505). These limitations also apply to adults admitted to acute crisis centers operated by the department (referred to as STAR residences—WIC Section 4418.7). Admission to a STAR residence requires that the individual be experiencing an “acute crisis” and is limited to a maximum of 13 months. Individuals admitted to STAR residences are provided mental health treatment for stabilization and receive all necessary services and supports to prepare them for a transition to less restrictive environments.

Sonoma Developmental Center (SDC) and Fairview Developmental Center (FDC) have closed and the acute crisis services have moved or are in the process of moving to the community. Central STAR, temporarily located at Porterville Developmental Center (PDC) is planning to move to Visalia/Tulare in late 2021 once a property is secured and appropriate renovations are completed. Additionally, current law authorizes commitment to Canyon Springs until June 30, 2021, while homes are developed in the community. Resource development has been delayed as the 2020 wildfires resulted in the loss of one of the North STAR residences, which had been near completion. There have also been challenges in securing suitable properties for the Central STAR homes due to the COVID-19 pandemic and the status of the housing market.

ARFPSHN Pilot Project. The 2003-04 Governor’s budget directed DDS to develop a plan for the closure of Agnews Developmental Center (Agnews). To facilitate the closure and ensure continuity of care for individuals transitioning from Agnews, Senate Bill (SB) 962 (Chesbro), Chapter 558, Statutes of 2005, established the ARFPSHN Pilot Project. These adult residential facilities provide 24-hour nursing care and intensive support services in homelike settings to individuals who have developmental disabilities.

The DDS contracted with the Center for Human Services at the University of California, Davis, Extension to conduct an independent evaluation of the pilot project. The contractor concluded that the SB 962 pilot project was an overall success as individuals were receiving high-quality care and had access to health care in their homes and the community. Moreover, the report stated the model was cost-effective and contributed in meaningful ways to an individual’s health, quality of life, level

of functioning, and overall happiness. In January 2010, the DDS announced it was initiating the closure of Lanterman Developmental Center. To support the closure, SB 853 (Committee on Budget and Fiscal Review), Chapter 717, Statutes of 2010, authorized the additional development of ARFPSHNs. Subsequently, Assembly Bill 1472 (Committee on Budget), Chapter 25, Statutes of 2012, extended the use of ARFPSHNs to include individuals transitioning from any developmental center into the community.

As of the December 2020 Quarterly Consumer Characteristics Report, 18 percent of the consumer population has special health care requirements and 23 percent are considered to have some sort of medical problems. This proposal, consistent with the Olmstead Act, expands community licensed residential services and skilled nursing care available to consumers. The proposed language provides regional centers with the flexibility to place individuals living in skilled nursing facilities (SNF) and pediatric subacute into less restrictive and congested environments when appropriate. The need to reduce reliance on large congregate settings and offer alternative resources has become even more evident during the current public health emergency. Consumers residing in SNFs represent approximately 7 percent of consumers testing positive for COVID-19 and approximately 22 percent of all consumers reported as deceased and COVID-19 positive as of January 20, 2021; however, less than 1 percent of regional center consumers reside in SNFs.

Staff Comment and Recommendation. Hold open.

Questions.

1. Please provide an overview of the proposed language.
2. Prior budget actions set an expiration date for Canyon Springs STAR services of June 30, 2021, with the understanding that additional community capacity would be developed to remove the need for this new category of admissions. What steps will be taken to ensure that another extension will not be needed in the future?
3. In past hearings, DDS has discussed strategies to provide treatment for individuals with exceptionally high behavioral and health needs. Please discuss the steps DDS has taken to develop crisis step down treatment for individuals at the highest level of need.

PROPOSALS FOR INVESTMENT RELATING TO DEVELOPMENTAL SERVICES

The Subcommittee has received the following proposal for investment related to the DDS. Note that proposal sponsors provided all information below, aside from staff comments and recommendations.

1. Improve Employment Opportunities for Californians with Intellectual and Developmental Disabilities (IDD)

Budget Issue. The California Disability Services Association proposes trailer bill language to amend Welfare and Institutions Code section 4870 to increase utilization of the funds set aside for the Paid Internship Program (PIP) and incentive payments for providers who place individuals into competitive integrated employment (CIE).

Background. Since 2016-17, the state budget has appropriated \$29 million (\$20 million General Fund) annually for the implementation of the PIP and CIE incentives program. Both are designed to increase employment opportunities and CIE outcomes, which is in line with California's Employment First policy. Over the four completed fiscal years since the programs were implemented, the state has spent approximately \$1.2 million, \$4.6 million, \$8.5 million, and \$6.2 million (through April 2020) respectively. In total, the state has underspent the \$118 million appropriated over those three years by over \$96 million. This proposal would make amendments to the programs to increase utilization of the programs and yield additional employment outcomes.

Staff Comment and Recommendation. Hold open.

2. Equitable Rate Adjustments in Response to State Minimum Wage Increases

Budget Issue. The Los Angeles Coalition of Service Providers and the California Disability Services Association request \$13.2 million (\$7 million General Fund) to provide rate adjustments for service providers in response to state minimum wage increases.

Background. Services for Californians with intellectual and developmental disabilities are funded through the State Budget under the Lanterman Developmental Services Act. Provider rates are set in a variety of ways, including rates set by DDS and through negotiation with regional centers. Rate increases are generally unavailable unless specifically included in the Budget Act. Since the passage of SB 3 (Leno), Chapter 4, Statutes of 2017, the Governor's Budget has appropriated funds each year for service provider rate adjustments to address the increased State minimum wage.

DDS currently uses two methodologies to address state minimum wage increases. For Community Care Facilities (CCFs), DDS provides an automatic increase on January 1 to reflect state minimum wage increases. For all other services, DDS utilizes a complex individualized application process requiring each agency to submit historical payroll records and requiring DDS to process each application individually. According to the proponents, in addition to the administrative burdens and costs of managing this process, it also fails to provide any relief for providers in areas where labor market conditions have compelled them to pay wages above the state minimum to serve regional center clients. In essence, it is a process where rates increase in lower-cost areas and stay stagnant in higher-cost areas. The request would slightly increase the funds currently proposed in the

Governor's budget for rate adjustments to developmental services providers linked specifically to increases in state minimum wage. The request would replace the current methodology with a uniform rate adjustment for all providers of 3.33 percent for each \$1 of state minimum wage increase, and by a pro-rated amount for any increases other than \$1.

Staff Comment and Recommendation. Hold open.

3. Continue the Suspension of the Family Cost Participation Program (FCCP) and Annual Family Program Fee (AFPF)

Budget Issue. Disability Rights California proposes trailer bill language to amend Welfare and Institutions Code sections 4783 and 4785 to continue the suspension of the FCCP and AFPF.

Background. According to the sponsors, while these programs were suspended to assist families during the state of emergency, the financial effects of COVID will be felt long after the end of the pandemic. These fees had a chilling effect in the past and continuing services will be vitally important as the state reopens after COVID.

Staff Comment and Recommendation. Hold open.

4. Continue Virtual Lanterman Act In-Person Meetings

Budget Issue. Disability Rights California proposes trailer bill language to amend Welfare and Institutions Code section 4646 and Government Code section 95020 to continue to waive the requirements for in-person service coordination meetings.

Background. A directive issued by the department waived the requirements for in-person meetings and allowed those meetings to be virtual. This included Individual Program Plan (IPP) and other service coordination meetings. This was done to prevent the spread of COVID, however, families have found additional benefits to having virtual meetings, including not having to travel or have other people in their homes. Meetings could also be arranged more quickly.

Staff Comment and Recommendation. Hold open.

5. Continue Regional Center Director Approval of Health and Safety Waiver Exemptions

Budget Issue. Disability Rights California proposes trailer bill language to amend Welfare and Institutions Code sections 4681.6, 4689.8, and 4691.9 to allow regional center directors to approve Health and Safety waivers.

Background. To speed up the approval of rate adjustments and supplemental services during the public health emergency, the DDS Director delegated authority to approve Health and Safety Waivers to the Regional Center Directors. According to the sponsors, Health and Safety Waiver approval has long been a problem in the system. While DDS has significantly improved the timelines to issue approvals, delays still occur. Approving Health and Safety Waivers at the local level not only speeds them up but also puts them in the hands of those who best know the local communities.

Staff Comment and Recommendation. Hold open.

6. Codify DDS COVID-19 Directives Related to Participant-Directed Services

Budget Issue. Disability Rights California proposes trailer bill language to codify an existing directive to allow consumers and families to utilize the flexibility offered by Participant Directed Services.

Background. Participant-Directed Services offer flexibility to support consumers and their families by offering more control over how and by whom some Individual Program Plan (IPP) services are provided. With this model, the consumer or family choose who to hire, schedule when the person works, and supervise their work. Participant-Directed Services are available to individuals who live in their home, their family's home, and some community living arrangements. Additionally, the provider does not need to be a regional center vendor and can be a family member, friend, or another qualified person to provide participant-directed services.

Participant-Directed Service types include (1) respite, (2) day care, (3) non-medical transportation, (4) nursing, and (5) community-based training services. In response to the public health crisis and recognition that traditional service delivery has been disrupted leaving many consumers without any services at all, DDS temporarily expanded Participant-Directed Service types to include: (1) personal assistance, (2) independent living skills; and (3) supported employment services.

Regional centers have faced well-known and long-standing difficulties securing providers to fulfill IPP services, while at the same time consumers and families clamor for more flexibility and choice about how services are delivered. Even though Self-Determination will be available to all consumers in June of this year, many consumers and families will want to remain in the traditional service delivery system and utilize the flexibility offered by Participant Directed Services. The flexibility afforded by this model is also key to reducing purchase of service disparities because it makes it easier for consumers and families to find providers that speak their preferred language and find providers during the hours for which services are needed.

Staff Comment and Recommendation. Hold open.

7. Codify DDS COVID-19 Directives Related to Early Start Remote Services

Budget Issue. Disability Rights California proposes trailer bill language to amend Government Code section 95020 to codify an existing directive to waive the requirement for in-person services for the Early Start Program.

Background. Services under the California Early Intervention Services Act requiring in-person services were waived to allow for teleservices due to COVID. This enabled infants and toddlers to receive services like, Speech Therapy, virtually when requested by a parent, guardian, or other legal representative. While this was done to prevent the spread of COVID additional benefits were found by families. These benefits include not having to participate in transportation, the child's increased comfort being in the family home, and for families with multiple children parents did not have to have an alternative caregiver to access services.

Staff Comment and Recommendation. Hold open.

8. Remove the Prohibition on Supported Living Services for Consumers who Choose to Live at Home with Family

Budget Issue. Disability Rights California proposes trailer bill language to amend Welfare and Institution Code section 4689 to remove the prohibition on supported living services for adult consumers who live at home with their parents or conservators.

Background. Supported living services (SLS) are services designed to enable adults with developmental disabilities to live in their own homes. SLS are presently available to adult regional center consumers, regardless of the degree of disability, to live in homes that they own or lease with support available as often and for as long as it is needed. Title 17 regulations additionally require that an adult consumer lives in a home “that is not the place of a residence of a parent or conservator of the consumer” to receive supported living services.

According to the sponsors, Restricting SLS to only consumers that live in homes they own or lease excludes consumers who live, or wish to live, in multi-generational households. This restriction harms consumers and families and strains the entire system by exacerbating regional center funding disparities, contributing to the housing crisis, and unnecessarily pushing consumers into congregate living settings that pose increased health risks during COVID-19 and similar pandemics.

Staff Comment and Recommendation. Hold open.

9. Require Regional Centers to Secure or Fund Critical Generic Resources to Avoid Unnecessary and Harmful Delays

Budget Issue. Disability Rights California proposes trailer bill language to amend Welfare and Institution Code sections 4659.5 and 4659.7 to require regional centers to secure or fund critical generic resources.

Background. Regional centers are charged with supporting eligible individuals, referred to as “consumers,” to have the most independent and productive lives possible. Once a regional center identifies a service that can meet an identified need, it is responsible for purchasing or securing that service. Regional centers are the “payor of last resort,” meaning that a regional center cannot purchase a requested service if a different publicly funded program (also known as generic agencies) is responsible for funding that service. Generic agencies include IHSS, Medi-Cal, SSI, special education services, and services offered through the Department of Rehabilitation. However, regional centers are obligated to “identify and pursue all possible sources of funding for consumers receiving regional center services.”

Despite regional centers’ responsibilities to identify and pursue all possible sources of funding for consumers, service coordinators often place the burden on individuals with I/DD and their families to navigate complex systems of care to fully exhaust these funding streams through generic agencies. Sometimes exhaustion means obtaining a written notice. Other times it means going pursuing an administrative appeal. The result is often that individuals with I/DD and their families often give up and go without the needed service because they are unable to meet regional center requirements to first exhaust these resources through generic agencies. Additionally, the dispute resolution process for regional centers to secure services from generic agencies is underutilized and unnecessarily

limited to children under 6 years of age. The proposed language would require a regional center to fund a service it believes that a generic agency is responsible for when the generic agency is not providing or funding the services, and the regional center chooses not to utilize the dispute resolution process.

Staff Comment and Recommendation. Hold open.

10. Developmental Services Sustainability

Budget Issue. The ARC and UCP California Collaboration request the removal of budget language that suspends supplemental rate increases provided in the 2019 budget.

Background. Beginning in March 2020, California and its citizens have been confronted with an unprecedented challenge in COVID-19. The onset of the pandemic significantly impacted all vulnerable populations, including the Intellectual and Developmental Disability (IDD) community. The IDD community responded to protect the health and safety of those we serve and ensure that participants and families maintain access to resources and services. All stakeholders within the IDD community had to make significant changes and deft pivots to maintain continuity of support; especially as local communities and Departments of Public Health made real-time decisions to close down business operations, schools, and for the IDD community, non-residential service settings.

The direct support professional (DSP) workforce is the backbone of our system, delivering the promise of the Lanterman Act to hundreds of thousands of individuals throughout the state. Due to the pandemic, in some services, DSPs confront COVID risk to deliver critical hands-on support to individuals who require it to maintain community living. These DSPs have worked long hours, often at a risk to themselves, their families, and their sense of security. Other DSPs and service coordinators had to quickly develop skills to deliver services remotely, adapting technological solutions to meet the needs of their clients. Many DSPs and service coordinators have seen their jobs change overnight and developed new skills to meet the moment.

As evidenced by the DDS Rate Study, this workforce was underpaid and undervalued even before the pandemic, as the result of a \$1.4 billion underfunding of developmental services in California. Any attempt to further reduce their wages, as the result of rate decreases, would be harmful and unconscionable during this time. The potential threat of a decrease in the near future continues to cause uncertainty in the workforce. Therefore, the suspension of the supplemental rate increases should be permanently removed from statute, instead of merely postponed.

Staff Comment and Recommendation. Hold open.

11. Department of Developmental Services Director Discretion

Budget Issue. Mr. Les Rodin requests trailer bill language to amend Welfare and Institutions Code section 4519 to give the Director of the DDS the ability to apply their discretion on a case-by-case basis to allow for the provision or extension of out-of-state services for more than six months when supported by a comprehensive assessment.

Background. Welfare and Institutions Code Section 4519 lays out the requirements and conditions under which DDS and RCs may expend funds allocated for the purchase of any client service outside

the state according to the Lanterman Act. The code allows for an out-of-state provision of services for up to six months and gives the Director of DDS the discretion to grant up to one six-month extension. There is no existing authority in the code that gives the Director any discretion to go beyond the six-month extension. According to the sponsors, there are documented cases of clients who qualify for care under the Lanterman Act yet have no facility in the state that can provide the necessary level of care for which their case requires. The proposed language would give the DDS Director discretion to extend an out-of-state treatment past six months on a case-by-case basis.

Staff Comment and Recommendation. Hold open.

12. Regional Center Caseload Ratio Needs

Budget Issue. The Association of Regional Center Agencies (ARCA) and SEIU California request \$55 million General Fund, to be matched with \$28.3 million in federal funds, ongoing to hire enough service coordinators to meet statutory caseload ratio targets.

Background. Regional centers are currently budgeted for the correct number of service coordinators but are funded at approximately 52 percent of actual costs. This leads to caseloads that exceed statutory guidance and harms the ability of centers to both serve clients and families and work effectively with service providers. This request seeks to change this by allocating a more accurately calculated amount of funds to allow centers to hire enough service coordinators to meet statutory targets based on current costs. By making it possible for regional centers to hire sufficient service coordinators to meet caseload ratios, service coordinators will, at root, have more time for each person they serve. This means service coordinators will be able to provide more individualized case management, developing better understandings of each person's unique needs, and more effectively working with community organizations and service providers to meet those needs. The proposed funding will fund up to 850 additional service coordinators to meet statutory caseload ratio needs, inclusive of the staffing needs to support service coordinators.

Staff Comment and Recommendation. Hold open.