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# California State Senate

SENATOR  
JIM BEALL

FIFTEENTH SENATE DISTRICT



COMMITTEES  
TRANSPORTATION  
AND HOUSING  
CHAIR  
APPROPRIATIONS  
BUDGET AND  
FISCAL REVIEW  
GOVERNANCE  
AND FINANCE  
JOINT LEGISLATIVE AUDIT  
PUBLIC EMPLOYMENT  
AND RETIREMENT  
SUBCOMMITTEE  
BUDGET AND FISCAL  
REVIEW SUBCOMMITTEE #5  
ON CORRECTIONS,  
PUBLIC SAFETY, AND  
THE JUDICIARY

February 24, 2015

The Honorable Holly Mitchell  
Senate Subcommittee 3 on Health and Human Services, Chair  
State Capitol, Room 5080  
Sacramento, CA 95814

The Honorable Tony Thurmond  
Assembly Subcommittee 1 on Health and Human Services, Chair  
State Capitol, Room 5150  
Sacramento, CA 95814

**RE: Funding for Department of Developmental Services (DDS) Regional Operations and Services**

Dear Sub Committee Chairpersons,

Last October, many of our colleagues joined us in asking Governor Brown to ensure the budget would more clearly account for the costs of mandates imposed on our fragile developmental disabilities system that serves more than 270,000 people with intellectual and developmental disabilities. In response, the Governor pointed to the Developmental Services Task Force, a group chaired by Secretary Diane Dooley and charged to address a variety of issues affecting the provision of services, including rate structure for services and support and core staffing ratios at regional centers. Although we are confident the task force will develop sound recommendations, the issues they are grappling with are complex and not easily resolved. Consequently, it is unclear whether recommendations will be ready in time for this year's budget debate.

Waiting is no longer an option. The system is in crisis and we must act now. People with developmental disabilities have seen the quality and effectiveness of services and supports

wither. Many individuals and families are not receiving the services and supports they need to remain independent as promised by the Lanterman Act.

The latest Fact Book published by the Department of Developmental Services reflects a 30 percent loss in real terms of the service vendors in the system of care since 2009. At the same time, the community system grew by more than 30,000 consumers, including more than 1,000 former residents of state developmental centers.

Delaying action not only risks the lives of the 270,000 consumers, it also jeopardizes federal funding. Potential losses in the developmental center budget is in the hundreds of millions. Potential losses in the community budget is in the billions. Both circumstances require our immediate attention and action.

In response to a federal audit, the state lost \$933 million in federal funding. Approximately \$2 billion is now at risk because the developmental services system relies on more federal funds than it did at that time.

California's Developmental Centers have already been financially sanctioned. And none of the regional centers meet all legally-mandated caseload ratios. System wide, regional centers employ only 84 percent of the service coordinators they would need to meet all caseload ratios. The State would need to hire over 650 more service coordinators to meet the required caseload ratios.

California must embrace a new series of provisions presented by federal Medicaid regulations that demand more than \$2 billion in federal money funding local services be better spent, open doors of choice and opportunities for consumers. But we cannot focus on adding needed new service responsibilities while the foundation is crumbling under our current service system.

The administration's budget proposal for fiscal year 2015-16 is now being examined by the Legislature. The proposal allows for some increased costs associated with the minimum wage increase and some adjustment for new sick leave benefits. But it overlooks other personnel increases caused by the minimum wage increase. It also offers no fiscal relief for new costs imposed from the passage of the Affordable Care Act and ignores the increasing fiscal impacts on local governments enacting Living Wage Ordinances.

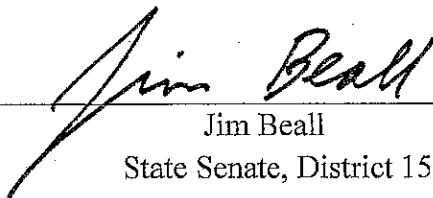
Despite recognition in the 2015-16 budget of substantial savings to the state from other actions, such as the closure of Lanterman Developmental Center, the budget proposal offers no relief in terms of a rate increase or cost-of-living adjustment to address the shortfalls in Regional Center Operations or the serious cutbacks endured by thousands of service providers over the last decade.

We still have substantial opportunity in the state budget process to rectify the system's continuing deterioration. While much of the economy has recovered from the deep recession, the state's system of care under the Lanterman Act remains in real jeopardy. Those of us who remain powerfully committed to maintaining the benefits of the Lanterman Act are also responsible public officials who would not encourage the state to veer from prudent public finance and accountability. But we are convinced that this particular system needs our help now if it is to continue supporting consumers and families to live lives with purpose and meaning.

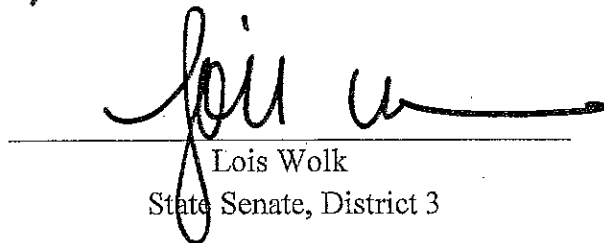
Please consider offering substantive financial relief and support as we negotiate this budget. We urge you to support a 10 percent increase in the regional center operations and purchase of services budgets. We pledge our partnership in finding savings to finance this request.

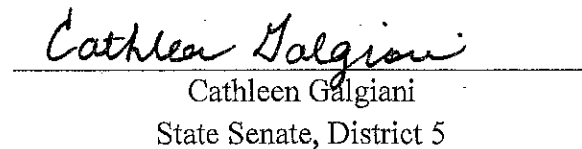
Thank you for your time and consideration.

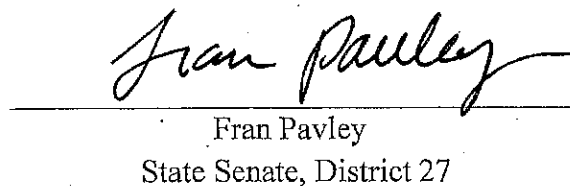
Sincerely,

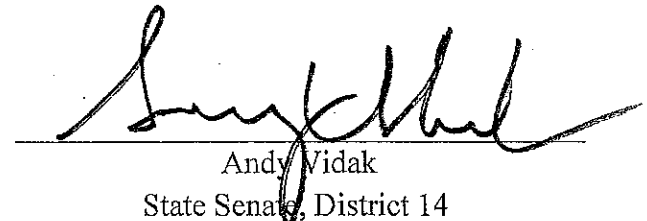
  
Jim Beall  
State Senate, District 15

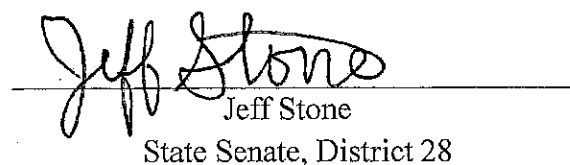
  
Carol Liu  
State Senate, District 25

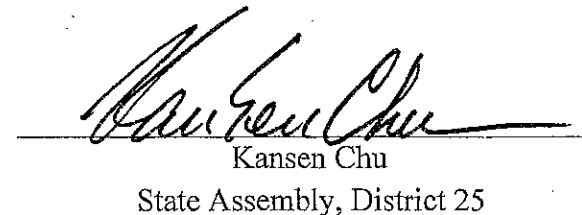
  
Lois Wolk  
State Senate, District 3

  
Cathleen Galgiani  
State Senate, District 5

  
Fran Pavley  
State Senate, District 27

  
Andy Widak  
State Senate, District 14

  
Jeff Stone  
State Senate, District 28

  
Kansan Chu  
State Assembly, District 25

Susan A. Bonilla

Susan Bonilla

State Assembly, District 14

Jimmy A. Mendez

Paul Adams

Louis Hancock

J. Enriquez

~~Jose~~ 35

Art M. Hitz

Pat Williams

Jerry Hill

Oran Matuschick

Calvin B. Blum

Lin R. Bell

Marty Block

Jacqui Valdez

Burt

AD 45

Mal Stone

Pat Coker

Mike Morrell

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Shannon Grove

Bob Huff

Roy Sals

Marie Waldron

Mike Gatto

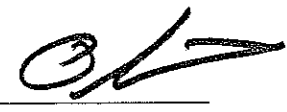
Jim P. Wm

Connie Lynn

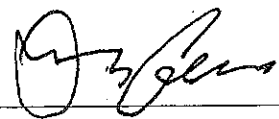
Bice Codd


Ken Malhi

Alan Cooley

Kit 

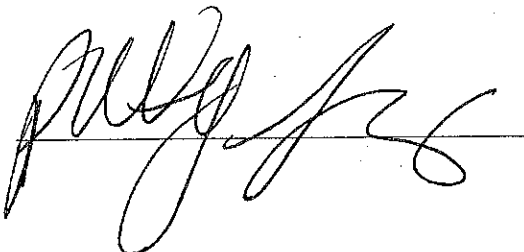
Thomas Yancy

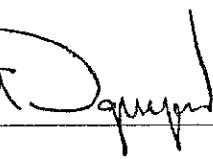


Scott 

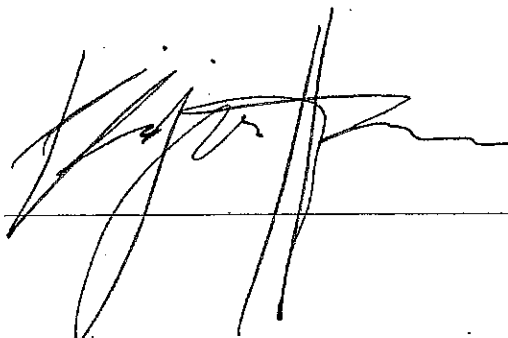
Christina <sup>AD 58</sup> Jamie

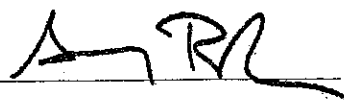
Frank Cizlow



Janet 







Marc Levine

Randy Scott

Cori Wilson

Adin Noy

AD13

Jack Hall

Ben Allen

Mike Hix

Eric

Jean Fuller

Eric

John Carr

Sharon Rucker

John

Tom Calderon

Cc: Diana S. Dooley, Secretary, California Health and Human Services Agency  
Santi Rogers, Director, Department of Developmental Services  
Senate Subcommittee 3 on Health and Human Services Members  
Assembly Subcommittee 1 on Health and Human Services Members  
Senate Budget Committee Members  
Assembly Budget Committee Members