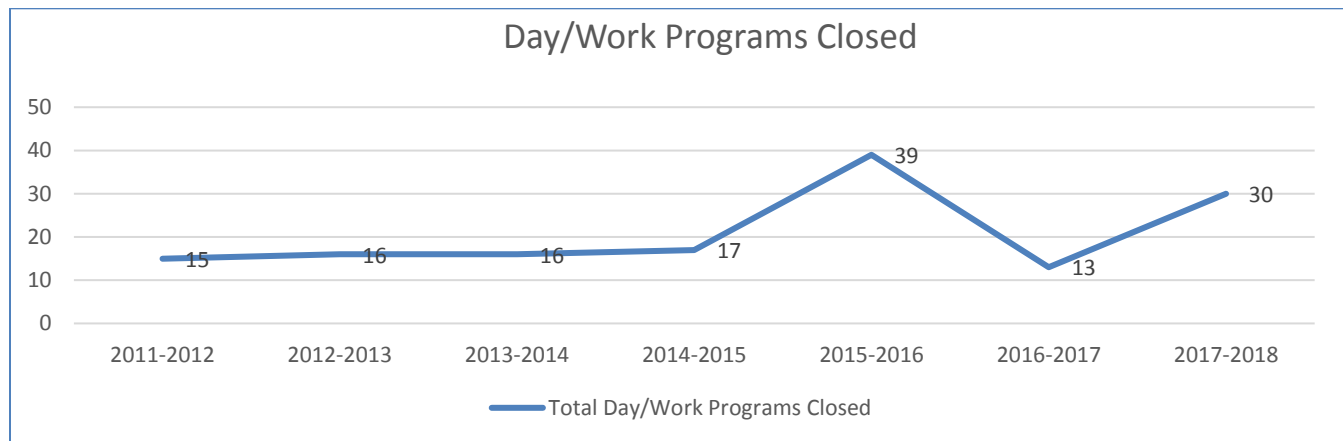


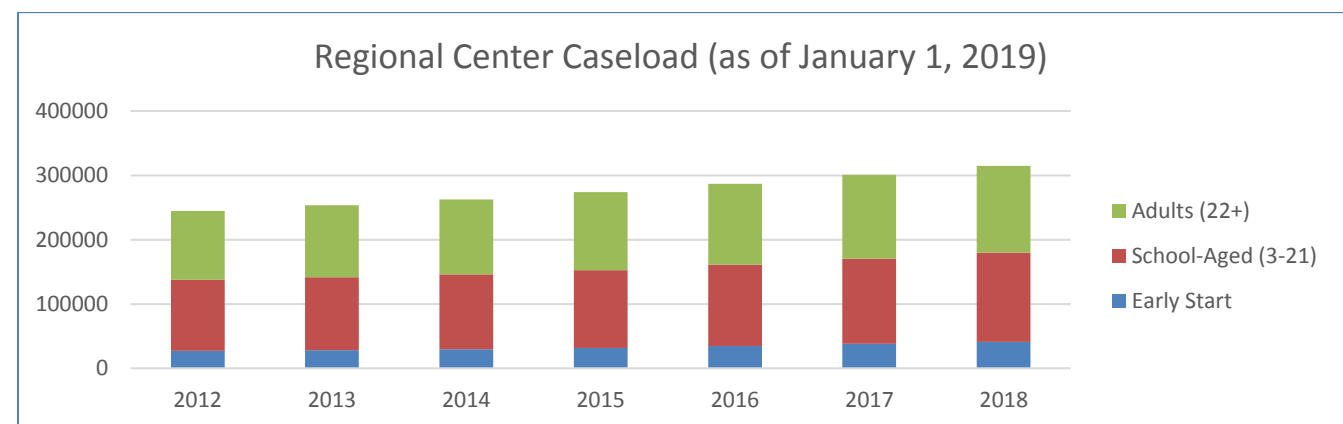
The Association of Regional Center Agencies (ARCA) represents the 21 non-profit regional centers that coordinate services for, and advocate on behalf of, over 320,000 Californians with developmental disabilities. ARCA and other members of the Lanterman Coalition, a group of statewide developmental services stakeholders, is requesting stopgap funding until comprehensive funding reform can be implemented.

Background

In the 2015-16 session, the Legislature recognized that programs for people with developmental disabilities were rapidly closing and desperately needed funding to stabilize them in order to prevent disruption in critical services. At the same time, regional centers were facing a shortfall of 744 service coordinators statewide. Increases in the Budget, as well as ABX2 1 (Ch. 3, 2016), that same year were intended to address shortages for both service providers and regional centers. These measures helped initially. For example, as noted in the chart below, there was a significant decrease in Day/Work Program closures between Fiscal Years 2015-2016 and 2016-2017. However, the closures and loss of program slots again increased in FY2017-18, which resulted in people waiting for services. This is largely due to economic changes since 2016, including an 8% increase in the consumer price index and a ~12% increase in California’s wage index.



The rapid escalation in costs has occurred at the same time that the total population served continued to increase, including a 25% growth in the number of adults served (2011-2018), the group that uses the most services. This growth requires annual increases in system capacity to keep pace with the demand for needed services and supports. Yet available data shows a decrease in some service categories in recent years.



With a goal of long-term stabilization, ABX2 1 also included a comprehensive rate study, which is due March 1, 2019. Systems change for providers and regional centers is very complex and will likely take more than one year to implement. Until then, a minimum of an 8% down payment, for both service providers and regional center service coordination, is needed to bring the system back to where it was in 2016.

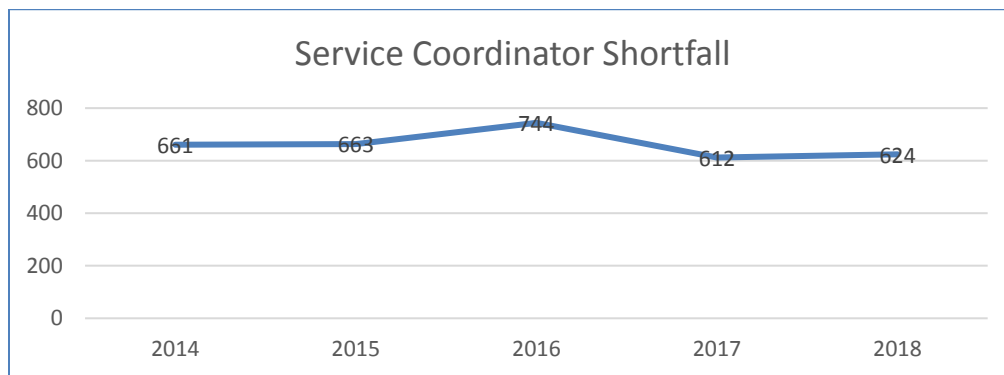
Service Providers

Providers help meet the daily direct support needs of individuals with developmental disabilities living in integrated communities of their choosing. But years of rate freezes have led to program closures and fewer available services. In FY 2017-18, the system saw the loss of 121 licensed residential homes (658 beds) as well as challenges developing critically-needed housing and support services, vocational support, and clinical services.

Faced with chronic underfunding, service providers struggle to recruit sufficient staff to meet the needs of the clients they serve. The complex, hands-on work of direct support professionals was never meant to be a minimum wage job, but many service providers cannot afford to pay more. The health and safety, and progress towards community participation, of people relies on appropriate recruitment and long-term retention of these workers, as without consistent support people cannot achieve their individual goals or potential. But over time, the value of their wages has eroded to unsustainable levels. In order to offer sustainable, quality services and properly serve people with developmental disabilities until funding reform can be implemented, providers need a minimum of an 8% down payment just to make up for inflationary losses.

Regional Center Operations

The core direct service of regional centers (RCs) is service coordination, which serves as a constant in people's lives and provides ongoing guidance to them and their families in setting goals and accessing services. Out-dated funding formulas mean RCs receive only 60% of the funding needed for each new service coordinator position.



The path forward for addressing this complex problem is the Developmental Services Task Force. But until their recommendations can be shaped and implemented, regional centers need a minimum of an 8% down payment for service coordination and other essential supportive services, to make up for inflationary losses.

Service coordinators only succeed when the number of individuals they serve (their "caseload") is at a manageable level. The relationships between the service coordinator and people with developmental disabilities and their families are most effective when they are long-term and not interrupted by high turnover rates. Also, to ensure federal matching funds (currently ~40% of our system's money), California promises the federal government we will maintain certain caseload ratios and support time-intensive person-centered planning. As of March 2018, RCs were 624 service coordinators short of legal compliance. Updated figures regarding the shortfall will be available in March 2019. To properly support people with developmental disabilities, the shortfall in positions should be fully funded to ensure they can be staffed at proper levels.

The Importance of 8%

Our system is being challenged to better serve existing needs and adapt to new ones. Bipartisan support reversed some Recession-era cuts, and gave some stability, but inflation is eroding those gains. This year, an 8% funding increase, and staffing to meet existing requirements, are critical for our system and the people who depend on it.