



ARCA Position Statement

Governor's 2008-09 Proposed Budget

The following positions represent ARCA's immediate concerns regarding the Governor's proposed budget for Fiscal Year 2008-09. These do not include the long-term infrastructure issues that must be addressed in the next three to five years to assure that quality services continue for Californians with developmental disabilities.

Purchase of Service (POS)

The following are ARCA's positions on the major components of the POS budget:

1. Ensure sufficient funds to continue provision of services to current regional center consumers and for needed services for new consumers. The projected growth in consumers is 5%, which includes a 10% growth for Early Start consumers (consumers from birth to age 3).

2. Oppose the reduction of \$192.7 million for the "Adjustment to Purchase of Services Increases". This reduction is proposed by the administration because historical trends project higher growth than can be justified by increased cost due solely to caseload growth.

3. Support the rollback of the Department's contract with Devereux of California (estimated savings \$1.2 million).

4. Oppose redesign and continuation of the Family Cost Participation Program (estimated savings \$773,000).

(Note: There is no provision for additional OPS funds to support the increased workload associated with the expansion of this program.)

5. Oppose continuation of past cost-containment measures and the attempted use of Budget-Balancing Reductions to make the temporary measures permanent (estimated savings \$311.4 million). These include:

a. Rate Freezes for residential services, community-based day programs, habilitation service programs, in-home respite service providers and the following 11 services:

- (1) Supported living services
- (2) Transportation, including travel reimbursement
- (3) Socialization training programs
- (4) Behavioral intervention training
- (5) Community integration training
- (6) Community activities support services
- (7) Mobile day programs
- (8) Creative art programs
- (9) Supplemental day service program supports
- (10) Adaptive skills trainers
- (11) Independent living specialist

- b. Prohibition on use of POS funds for start-up of non-CPP programs
- c. Cost-of living adjustments for SSI/SSP may not be passed through to CCF providers.

6. Oppose the freeze on negotiated rates for providers whose rates are set by negotiation between the provider and the regional center and are not already included in the services listed above (estimated savings \$18.3 million). If this proposal is adopted, oppose the proposed methodology that negotiated rates for new providers be set at the lesser of the median rate for similar providers at the regional center or the median rate for similar providers statewide.

7. Oppose the 10% rate reduction for Supported Employment program (estimated savings \$9.6 million).

8. Support POS budget augmentations to fund increase in services due to the Budget-Balancing Reductions suffered in other departments and programs.

Operations (OPS)

The following are ARCA's positions on the major components of the Operations budget:

1. Support sufficient funds to provide case management services to projected 5% increase in consumers served (\$21.4 million).

2. Oppose continuation of past cost containment measures and the attempted use of Budget-Balancing Reductions to make the temporary measures permanent (estimated savings \$36.9 million). These include:

- a. Extending time to complete intake of new consumers from 60 days to 120 days (\$4.5 million).
- b. Increasing the mandated caseload ratios for consumers not on the HCBS Waiver from 1:62 to 1:66 (\$32.4 million).

3. Oppose the reduction of Community Placement Plan (CPP) operations funding by 10% (estimated savings \$660,000 in FY 2007-08 and \$2.0 million in FY 2008-09).

4. Oppose the reduction of operations funding for Health Information Portability and Accountability Act (HIPAA) compliance by 10% (estimated savings \$46,000 in FY 2007-08 and \$141,000 in FY 2008-09).

5. Support the proposal to increase access to mental health services for regional center consumers. The estimated cost of \$740,000 will be funded by the Mental Health Services Fund (Proposition 63 – Mental Health Services Act) and will have no General Fund impact. (NOTE: These funds are for contractors to provide various trainings throughout the state and will not be allocated out to regional centers.)

Developmental Centers (DC)

The following are ARCA's positions on the major components of the budget for the Developmental Centers:

1. Oppose proposed cap on number of residents in Porterville's Secure Treatment Program (\$11.7 million).
2. Support closure of the two Regional Resource Development Program (RRDP) offices no longer situated on the grounds of a DC (\$1.1 million).

Other Concerns

The following are ARCA's position on certain aspects of the proposed budgets for other programs that would have a negative impact on regional center budgets:

1. Oppose the 10% rate reduction for Medi-Cal providers.
2. Oppose the elimination of optional services from the Medi-Cal program including dental care for adults, optometrists and optician services, speech therapy, and audiology.
3. Oppose 18% reduction in In-Home Support Services (IHSS) hours for domestic and related services.
4. Oppose elimination of SSP cost-of-living adjustment to SSI/SSP recipients.
5. Oppose the 10% reduction in rates for Adult Day Health Care Programs.
6. Oppose the \$92.7 million reductions in the Early and Periodic Screening, Diagnosis and Treatment (EPSDT) program.
7. Oppose the proposed reduction of \$400 million in special education funding.