



ASSOCIATION OF REGIONAL CENTER AGENCIES

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February 2, 2001

Mr. Clifford Allenby, Director  
Department of Developmental Services  
1600 9<sup>th</sup> Street  
Sacramento, CA 95814

Dear Mr. Allenby:

Historically, in each fiscal year some regional centers have had serious concerns regarding the adequacy of their allocations for their Purchase of Service (POS) and Operations budgets. Their deficits have been projected, verified and made whole. Funds have been taken from a center's Operations budget and reallocated to their POS budget to defray their deficit. As regional centers have attempted to adapt to pressures to broaden the definition of the entitlement to services and abide by the statutory requirements to restructure their organizations, centers have lost their ability to responsibly manage their allocations.

Unfortunately for consumers and families, the community system has not been properly funded for the ever-expanding entitlement and increased expectations. Consequently, in the face of POS under-funding, regional centers have explored every feasible option as to how services are to be provided with their communities. Plans of action have been discussed, debated and adopted. These alternatives of how services may be provided, which would allow centers to meet the needs of their consumers and families while living within their budgets, have been exhausted. Projected budget shortfalls have created conflict between regional centers, their consumers, families, and vendored programs. Centers are now unable to achieve the delicate balance between providing for the entitlement to services and supports and abiding by the terms and conditions of their contracts with the Department.

Regional centers find themselves unable to purchase some services because programs are not available or are closing because they can no longer provide services at the rates provided by the Department. The ability to exercise the entitlement to needed services and supports is eroded.

The increased expectations for regional centers has included a renewed emphasis on service coordination. However this attention to statutory setting of caseload ratios for service coordinators came at the price of all center's abilities to provide qualified clinical personnel, resource development and monitoring, public information and outreach, and fiscal administration. Centers have lowered their minimum education and experience requirements for service coordinators in order to compete with local market conditions. Even so, turnover is high, and since the job is very difficult for inexperienced, unskilled personnel, consumers and families bear the brunt of a poorly staffed program.

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All of the regional centers have significant rent deficits, creating a needless problem over which the centers have no control and little, if any, ability to solve.

The Association of Regional Center Agencies believes the regional center system in California is on the brink of a fiscal crisis local Plans of Action will not be able to solve. As discussed in the attached position papers on the regional center Purchase of Service budgets and Operating budget the crisis has been steadily evolving to its current state.

ARCA firmly believes that unless this crisis is given serious and immediate attention, people with developmental disabilities and their families will suffer its consequences. We offer our assistance and cooperation to the administration and legislature to devise remedies that will address these major issues.

Sincerely,

Lewis Braxton, President  
ARCA Board of Directors

cc: Senator Wesley Chesbro, Chair Budget & Fiscal Review Subcommittee #3  
Assemblymember Gil Cedillo, Chair Assembly Budget Subcommittee #1  
Diane Van Maren, Consultant, Senate Committee on Budget & Fiscal Review  
Peggy Collins, Legislative Consultant  
Michael Dimmitt, Assembly Budget Consultant  
Tiffany M. Reyes, Fiscal & Policy Analyst, Legislative Analysts Office  
ARCA Board of Directors

# **Regional Center Budget Issues Purchase of Service Budget**

## **Background**

Since 1985, the year of the ARC decision, regional centers have faced the dilemma of managing an open-ended entitlement within a closed-ended allocation. Centers have attempted to meet the expectations and needs of consumers and families in a rapidly changing environment. Primary diagnosis, cultural and ethnic influences, program models, consumer and family expectations and the method of providing services have changed radically over the past ten years.

Regional centers are unable to meet the need for services and supports within the current funding framework. The amount of funds regional centers receive for their Purchase of Service Budget does not allow them to meet the definition of entitlement to services as it is currently understood.

The following discusses factors which have affected regional centers ability to control expenditures from their Purchase of Service budgets.

## **Current Issues**

### **Significantly Increased Expectations for Services Purchased Through the Regional Center (Person Centered Planning)**

Expectations have changed regarding what constitutes acceptable services qualitatively and quantitatively. Their standards have steadily evolved over the years. For example, when the regional center system was originated approximately thirty years ago, programs that provided supervised day care and minimal, simple, developmental activities were considered the standard of care for regional center adult consumers. Centers worked with service providers to establish a day program for a specific number of consumers. There was little, if any modification of the day program's curricula to meet individual needs. Consumers were expected to conform to the program's activities rather than have an adjustment of the program to meet their individual

strengths and weaknesses. In the mid-1980's, a 1:8 staff-to-consumer ratio was typical. Programs were offered at segregated sites with an average cost of \$18.00 to \$22.00 a day.

Now we have highly individualized day programs that address a particular consumer's personal goals, strengths and weaknesses. A program is modified to meet a consumer's needs rather than the other way around. Simple, developmental activities no longer suffice for adults. The staff to consumer ratios can range from 1:1 to 1:8. Frequently, a consumer is transported from one site to another during the day in order to fulfill his or her individual program plan. The average cost to a regional center for the now typical 1:4 day program is \$50.00 per day, while a program model which provides intensive daily 1:1 interaction for adults with behavior challenges may cost up to \$143.00 per day.

What used to be one program for 40 clients is now 40 individual programs. This philosophical shift in what is acceptable and appropriate has increased costs significantly. Beside program costs, the shift has also had a major impact upon regional centers' case management and resource development functions since the individualized planning requires significantly more time and effort to achieve the desired result. Programs also find themselves spending extended periods of time planning and implementing individualized programs for their consumers, increasing their costs.

### **Variable Population Growth**

Historically regional centers have had a growth in population which averages between 4% to 5% annually. As some areas of the state experience rapid growth for one reason or another, their regional centers experience above average increases in new consumers. POS budgets are impacted by this unpredictable population growth. This growth may also be fueled, in part, by the decisions of administrative law judges who appear to be both expanding the scope of the fifth category and easing eligibility for services to those deemed to have "other conditions which require treatment similar to those required by individuals with mental retardation."

The extraordinary 138% growth of persons diagnosed with autism spectrum disorder over the past eight years, compared to 27% growth in the overall population of clients statewide, has had a major impact upon POS budgets. There is no explanation for this extraordinary increase or consensus regarding the effectiveness of programs available for children and adults with autism. Programs with emphasis on sophisticated behavior modification techniques and low trainer/teacher-to-student ratio are usually preferred. Some of these programs (for preschool age children) may cost over \$60,000 per year. Although they are unproven as to their effectiveness, the programs are typically prescribed for two years. Meeting the demands for services for persons with autism could mean costs of approximately \$2 million per individual in their lifetime.

As medical technology has advanced, medicine's ability to save premature infants has resulted in more medically fragile, smaller babies. These infants require significant intervention and medical technology to maintain their health and ensure that they are able to grow and develop. Regional centers have a clearly defined responsibility to provide services for these infants and their families.

As the non-English speaking population in the state increases, the need for spoken and written interpreter services has markedly increased as well. Many regional centers have the need for interpreters of several different languages. Centers also find themselves paying the full cost for medical and other related services for individuals who are not citizens and thus not eligible for county or state funded programs. The fiscal impact on POS funds can be considerable.

## **Choice**

In 1992, SB 1383 was signed into law. It signaled a major paradigm shift in California's programs for persons with developmental disabilities. Consumer and family choice of services and "supports" was a concept that was specifically introduced in the bill and given emphasis.

Methods to support consumers and their families to become knowledgeable about their options were introduced. Concepts such as "circles of support" and "natural supports" were used. Person centered planning replaced planning driven by professionals as the means by which individual program plans were generated for each consumer and his or her family. Person centered planning

resulted in creative, individualized, often more expensive programs which were specifically designed to address a consumer's needs and preferences.

Supported living began to be introduced as an alternative to conventional residential programs. Consumers and their families had the option to choose this living arrangement which could involve full-time, 1:1 staff to provide supervision and support. The cost of providing supported living services varies, but there is the perception that this kind of living arrangement has a significant impact upon purchase of service budgets. ARCA is attempting to verify this belief.

The expectation that regional centers will fund a portion or all of the cost of after school day care reflects a cultural change in our lifestyle. If families are intact, both parents often hold full-time jobs. They must rely on after school day care if there is no family member to provide assistance. For single and employed primary caregivers, the availability of after school day care is essential. Ten years ago it was rare for regional centers to provide day care; now it is common.

Vendored parent respite in the form of vouchers originated in the early 1990's as an alternative to conventional respite programs. It was developed and implemented by regional centers to provide families with greater choice and flexibility in obtaining reliable, familiar respite workers for their child. This change had an impact upon regional center POS budgets because families were able to actually use their respite rather than relying on respite agencies that did not provide for their needs. Unfortunately, over time, rates for this service have not kept pace with market wages. Regional centers and families vendors within high cost of living areas find they are unable to attract respite workers for the wages the state provides, leaving many families without needed services.

## **Lack of Regional Center Budgetary Controls**

Prior to the 1985 California Supreme Court decision, *ARC et. al v. DDS*, regional centers managed their Purchase of Service budgets through waiting lists and categorical service cuts. The type and kind of services available were generally limited and simple in design.

The California State Supreme Court established in the ARC decision, that services and supports outlined in a consumer's individual program plan (IPP) constituted an entitlement. The Court said that the entitlement existed as long as a regional center had the funds to pay for all services as listed in the IPP. Regional centers could not devise standards which allowed them to distribute funds to consumers on an equal basis. Centers could decide how services were provided but not whether they were to be provided as long as funds were available in their budget and the service was contained in the consumer's IPP. Waiting lists and categorical changes in services were illegal. Centers developed funding guidelines which allowed for exceptions on an individual basis. The guidelines contained numerical limits as to the amount of services a regional center would generally purchase for a consumer.

Under the ARC decision, when funds were no longer available, regional centers were to report this fact to the Department of Developmental Services and DDS was, in turn, required to verify that a system-wide shortage did exist. If the Department did find there was a deficit, it was required to report this fact to the Legislature. The Legislature was charged with the responsibility to determine whether or not the program was to receive additional funds.

In the early 1990's when the State faced a major recession, regional centers were required to submit expenditure plans to DDS to explain how significant unallocated reductions were being handled. The dilemma of the open-ended entitlement and closed-ended allocation is finally spelled out in statute: Centers are explicitly required to ensure that they provide all needed services within their contract allocation (WIC 4791) which is acknowledged to be under-funded. Wholesale categorical changes in how services are delivered are illegal. Over the years, centers devised cost effective options for service delivery by reviewing POS guidelines and developing alternatives to how services were provided. Today, centers find there are no more ways to change their existing POS guidelines in order to save money. All possible areas of saving have been exhausted.

To ensure uniformity in the application of their purchase of service guidelines virtually every regional center had established a POS review team to screen purchase of service authorizations, if

only for those services which were requested to be authorized on an exception basis. In 1998, SB 1038 was passed. Among a number of provisions which effected regional centers' policies and procedures, the legislation required that service coordinators have the authority to commit the regional center to purchase services for a consumer or his or her family at the consumer's IPP meeting. Although an exception was made where there was a disagreement, emphasis on this process eroded the ability of regional centers to provide a consistent interpretation of their purchase of service guidelines.

The lack of necessary internal and external clinical resources has also impeded regional centers' ability to provide comprehensive evaluations of prospective and current consumers for the type and kind of services that would be most suited to their strengths and weaknesses. This means regional centers are unable to perform meaningful differential diagnosis and thus provide independent recommendations for the programs that would best meet the consumer's needs. Instead centers find themselves purchasing assessments for individualized programming from the same programs from which they will purchase services for a specific consumer.

Regional centers have had their ability to exert control over their budget allocation further hampered by the increased emphasis upon consumer and family based decision-making. This has been accompanied by leadership from the Department of Developmental Services (DDS) which has, pursuant to their authority under WIC 4434, interpreted as illegal any quantitative range or limit regional centers used in their Purchase of Service Guidelines to provide general standards for the amount of services which the center would purchase (always with the option of exceptions for specific circumstances).

This has left regional centers:

- without a basis to set expectations regarding an amount of service consumers and their families can expect;
- without parameters as to the kind or type of services that may be provided by a regional center;

- without any remaining reasonable alternatives as to how services may be provided on a more cost effective basis;
- without the ability to ensure that existing POS policies are uniformly and consistently applied by the regional center staff members;
- and without control as to whom services and supports must be offered.

## **The Impact of Program Rates Upon the POS Budget**

Under the current rate system, vendor payments are either established by regulation or by negotiation between the center and vendor. Many types of new program vendors receive a temporary payment rate for a set period of time after which the vendor must submit its actual costs (within a framework of allowable costs set by regulation). Then a new, higher rate is granted to the program by DDS. Even though centers may negotiate a rate with a service provider, the department sets the rate and decides the time at which the rate starts to apply.

Regional centers have found it necessary to negotiate a higher rate increase for many existing vendors. One example of this kind of rate problem could be the impact of unanticipated increased fuel costs on transportation vendors. The cost of fuel puts pressure on transportation vendors to increase their rates. Since most transportation contracts have a clause which allows for automatic rate increases for the transportation provider if the price of fuel increases a specified amount, centers are powerless to do anything except pay for this increase without any reimbursement from DDS .

If it is not possible to reopen the terms and conditions of a vendor contract to accommodate a needed rate increase, centers have patched additional services to the POS services for one or more consumers. For example, centers have added additional personnel support to staff to consumer ratios as a way to augment rates.

At least one regional center has been admonished by DDS because the Department believes it is not purchasing an appropriate amount of clinical services such as Occupational Therapy, Physical

Therapy and Speech Therapy for its consumers. The center is restricted to paying no more than State-set rates, which are significantly below those paid by private insurance companies and other systems that provide these services, such as special education. There are no exceptions allowed for rate increases in the current system.

While regional centers do receive growth funds in their budget allocations, they do not necessarily receive adequate funding for these rate increases. Additionally, the timing of when the department has rate increases occur in the fiscal year may further compound inadequate funding. For example, rate increases provided in the third or fourth quarter of the fiscal year are not accounted for in the following year's allocation. Rate increases are necessary for funding services and must be fully funded by DDS.

## **The Impact of Inadequate Rates**

The high cost-of-living in some geographic areas of California has forced programs which serve regional center consumers to close because the programs have not received rate increases commensurate with local market costs. Although the Department of Developmental Services recognizes the geographic differential in the “retention and recruitment programs” it has established for its own developmental center employees, it has not adjusted community program rates to compensate for increased costs in high cost-of-living areas. Community residential and day programs are unable to hire and retain direct care staff, leading to program closure. Programs that are unable to hire the necessary number of employees because of low wages are establishing informal “waiting lists” for open program slots. Centers report that some programs are lowering their qualifications for employees significantly and have resorted to recruitment of their direct care staff from the clientele served by Probation Departments and homeless shelters. The situation is desperate. Unprecedented reactions to unrealistically low rates are occurring in high-cost regional center areas. For example, 28% of the residential programs in the Santa Barbara/Goleta area of the Tri-Counties Regional Center have closed because of inadequate rates in less than a year. No programs are willing to take the place of these under-funded programs, leaving regional centers without a means to provide services and support to consumers and their families. An entitlement

to services does not exist if the services and supports needed are unavailable because the funding for those services and supports is so inadequate providers can not provide a satisfactory program in an area in which the consumer lives.

# Regional Center Budget Issues Operations

## Background

A survey of all 21 regional centers was conducted to determine major issues facing regional centers in regards to their operations budget. Seventeen questions were sent to all centers and telephone surveys were conducted to gather the information. A follow-up survey was conducted to gather additional information regarding clarification of staffing issues. The goal of the survey was to assess the issues that regional centers are facing currently and in the future regarding the funding of the operations of the center and specifically the impact the mandated 62:1 ratio of service coordinator to consumers has had on the operations of the regional center and services to consumers and their families.

Regional centers receive funding for the cost of providing case management, trust accounting, processing of vendor payments and other regional center services through the operations budget. The operations budget contains three major components. They are (1) staffing; (2) rent; (3) operating expenses. The amount for staff is based on a formula known as the core staffing formula which assigns positions and an associated salary based on a formula which is closely tied to the number of consumers served. The rent amount is based on the cost of rent paid in 1989 plus minor adjustments in most subsequent years. The last component, variable operating expenses is \$116.45 multiplied by the number of consumers served by a regional center.

It is important to note that some of the operations funding is provided by the federal government through targeted case management, medicaid waiver, and the early start program.

## Service Coordinator Staffing

The most frequent response from centers was the lack of ability to hire and retain an adequate number of service coordinators and other key staff positions. The primary reasons cited for the

inability to hire and retain staffing is that salaries are too low in comparison to competing employers. In many parts of the state the high cost of living has further eroded the center's ability to attract and retain qualified staff. Statewide, the average number of projected vacant service coordinator positions as of June 30, 2001 will be 8 per regional center. Six centers project 10 or more vacancies, with one center projecting 24 vacant service coordinator positions as of June 30, 2001. Assuming an average of 62 consumers per caseload multiplied by 8 service coordinator vacancies per center, over 500 consumers per center would not have an assigned service coordinator. This means statewide 10,500 consumers and their families may not be able to access appropriate services on a timely basis.

Besides service coordinator vacancies, centers are projecting an average of 8 other vacant positions. These positions consist of clinical staff, quality assurance staff, clerical support staff, fiscal staff and information technology staff. Centers have had a particularly difficult time attracting psychologists, nurses and occupational therapists primarily due to non-competitive salaries.

## **Turnover in Service Coordinator Positions**

Turnover in service coordinator positions has been significant for most regional centers, averaging 26 per regional center in the twelve month period ending October 31, 2000. Turnover of service coordinator positions for the above mentioned period ranged from a high of 63% to a low of 9%, or an average of 21%. Eleven centers had turnover of 20 or more service coordinators, five centers had turnover of 35 or more, and one center had 88 service coordinators terminate in this twelve month period. The number of service coordinators at the eleven above mentioned centers ranges from 85 to 225.

Service coordinators have left the regional centers for positions in other government-funded organizations, private sector companies and some have left the workforce for family or personal reasons. Many of the staff have left due to higher salaries and benefits at competing employers.

## **Constant Recruiting Mode**

With the higher than normal turnover and the mandate of the 62:1 caseload ratio, centers are in a constant recruiting mode. Centers report spending a great deal of time in recruiting and have utilized a wide variety of recruiting methods to attract new staff. These methods include traditional newspaper advertising as well as job fairs, Internet advertising and developing relationships with colleges and universities.

Many centers have reported an increase in the time it takes to fill vacant service coordinator positions. Additionally, centers also report that the quality and in many cases the quantity of candidates has decreased in the past several years. Some centers have reported receiving no resumes to advertised positions. Some centers have reduced either the experience or education requirements in order to fill service coordinator positions. This action has resulted in less experienced service coordinators to handle ever increasingly complex issues that consumers and families face.

## **Bi-lingual Staff Recruiting**

Most all centers reported that the problems they are facing in recruiting service coordinators are magnified in terms of recruiting staff with bi-lingual skills. Centers have reported it taking 5-6 weeks to find a non-bilingual service coordinator and up to 4 to 6 months to find a service coordinator with bi-lingual skills. Most all centers have a pay differential for bi-lingual staff.

## **Increase in Service Coordinator/ Supervisor Ratio**

An increase in the number of service coordinators managed by each supervisor has occurred in many regional centers. Many centers had a supervisor to service coordinator ratio of between 8:1 and 10:1 during the 1999/2000 fiscal year. Now some centers report supervisor to service coordinator ratios of 14:1 or more. This increase in the service coordinator to staff ratio has further compounded the previously mentioned issues of service coordinator turnover.

Supervisors have less experienced staff that require more time to train. With more staff to manage and less experienced staff, supervisors have less time to assist their staff in solving some of the more challenging issues of providing services to consumers and their families.

## **Clinical Staffing**

As of December 2000, 11 of the 17 centers responding indicated that their clinical staff had vacancies. The total number of vacancies averaged 3 clinical staff per center. The most difficult positions to recruit and retain are nurses and psychologists. Centers have a difficult time recruiting and retaining nurses primarily due to salary issues and the general competition for nurses in the state. Thirteen of the centers do not feel that their clinical staff is adequate to meet all of the mandates and best practices. Centers indicated the need for occupational therapists, physical therapists, additional psychologists, additional nurses, nutritionists and physicians to effectively meet the needs of consumers. Many centers felt the increased clinical team money was very helpful, but not adequate to meet the growing needs. Centers also indicated that meeting the 1:62 mandate for service coordinators and the unrealistic salaries in the core-staffing formula especially for clinical staff have been major factors in not being able to adequately staff clinical departments.

## **Resource Development Staff**

Most centers indicated that their resource development departments did not have vacancies. However, centers also felt that additional staffing was required to meet the mandates as well as best practices. The increased number of individualized programs, special contracts with vendors and the general demand for new services and increased number of new vendors has created the need for additional staff in the resource development departments to properly perform all of the functions. One center indicated they had received over 400 new vendor applications in the last few months.

Inadequate staffing in the resource development departments has a direct impact on consumers, their families and vendors in terms of providing an adequate and appropriate array of services.

### **Quality Assurance Staff**

Centers generally indicated they did not have vacancies in their quality assurance departments. Most centers felt they could accomplish the basic mandates, but did not have time to provide adequate technical assistance to vendors. Many centers also reported that their quality assurance departments must have additional staff to comply with the mandates and best practices.

Additionally, centers do not feel that the current staffing allows them to be pro active in quality assurance issues.

### **Fiscal Staff**

Over half of the centers responding to the survey indicated vacancies in their accounting staff. Competition with other employers and relatively low salaries have been the major reason for the vacancies in the fiscal area. Most of the centers, 15 of 19, responding indicated that their fiscal departments needed additional staff to meet the mandates and best practices. The increase in the number of individual vendors has increased the workload for the fiscal staff. In the recent past a regional center may have processed and issued payments to 5 vendors for services to 100 consumers.

Centers now may process and issue payments to 50-75 vendors for the services to the same 100 consumers. While centers have done a good job of processing vendor payments, on a timely basis, they no longer can easily handle exceptions. The recent retro-active pass-through rate increase for direct care staff many vendors received is an example of an exception that centers can not easily handle. Due to the increased workload, centers may not be able to as quickly process the retro-active vendor payments. This delay in payments can and does have an impact on vendors and their staff and ultimately on the consumers.

## **No Budget COLA for Regional Center Staff Since 1990**

Regional centers have not received a cost of living increase for all regional center staff through their contracts with the Department of Developmental Services since January of 1990. However, all regional centers have made salary adjustments during this period of time. Since July 1999, centers have increased salaries from 2% to 7.5%. With the exception of an increase in funding for service coordinator and supervisor positions in the 1998/1999 fiscal year, no funding had been provided for increasing regional center salaries. This means centers have had to make choices and develop priorities in terms to the positions to hire or reducing other operational needs. Even with caseloads increasing an average of 5% to 7% or more per year, many centers have eliminated or not increased support positions in the areas of clinical staff, quality assurance, secretarial and file clerks. This has resulted in service coordinators handling more administrative paperwork allowing for less direct time spent with consumers and families.

## **Operating Expenses - Keeping Current with Technology**

Centers receive an amount in their budget allocation for all operating expenses such as computers, telecommunications, copiers, office supplies and other overhead expenses. This amount is based on a fixed dollar amount (\$116.45) multiplied by the number of consumers served at the beginning of the fiscal year. While the number of consumers has changed over the years, the dollar amount of \$116.45 per consumer has remained constant. With the reduction of many support functions, an increase in the demand and importance of technology has occurred for centers. Service coordinators need to have access to computerized information about the consumers and vendors.

Additionally, the frequent changes in technology make it necessary for personal computers to be replaced every 3 years as recommended in the study conducted by Citygate Associates. Centers have not received any additional funding for purchasing computers or other technology to assist service coordinators in providing services to their consumers. Many centers have also replaced their main computer system in the last two years at a cost in excess of \$100,000 and have not

received any additional funding for this expense. Centers must continue to upgrade their main computer systems as well as personal computers and other technology in order to effectively perform the accounting and tracking of required consumer information. The new electronic vendor billing system requires centers to upgrade their main computer systems to utilize this function. Centers not able to upgrade their systems may not be able to take advantage of new computer tools to better serve vendors and consumers.

### **Inadequate Funding for Office Rent**

All regional centers also face a deficit in the amount of rent they receive in their budget allocation compared to the actual cost of rent. For the 2000/2001 fiscal year, this deficit is nearly \$11 million and is projected to increase to nearly \$20 million over the next five years. The rent deficit has required centers to use funds intended for salaries and other operational expenses for rent. Centers have reported the reduction of various positions such as clinical staff and clerical support that could be hired if the actual cost of rent was fully funded. Again, the lack of full funding for rent requires centers to make difficult choices that result in less than optimal staffing to fully support consumers and their families. Centers must have the full cost of their rent allocated in the budget.

### **Geographic Issues**

Another major issue impacting the operations budget for regional centers is the wide variance in the cost of living throughout the state of California. Centers in high cost areas have indicated that the living costs have impacted their centers ability to hire and retain staff and believe a geographic differential should be considered in the core staffing formula. Currently there is no geographic differential provided to regional centers in their operations budget.

Centers in high cost areas incur rent costs over twice as much as centers in low cost areas. Many centers have reported competing employers providing much higher salaries and benefits that include signing bonuses and payment of student loans. A differential that fully funds the

geographic variances throughout the state is necessary to allow regional centers to operate effectively and provide consistent staffing.

## **Under-staffing of Regional Centers may result in a loss of federal funding**

A significant issue with inadequate and untrained service coordinators and support staff is the potential loss of federal funding. With the total amount of federal funding in the current fiscal year (2000/2001) of \$892 million (purchase of services and operations), loss of any of these funds would have a major impact on the system.

In the area of medicaid waiver funding, centers without adequate and fully trained service coordinator and other support staff, may not have the ability to complete all of the requirements of the medicaid waiver program. If a center is significantly out of compliance on the medicaid waiver it may lose its eligibility and thus the state can not bill the federal government for the waiver funds. A loss of medicaid waiver funds will impact both operations and purchase of service funds.

Another area of federal funding is in the Early Start program. This program dictates time lines that must be met in providing services to consumers 0-3 years of age. Centers without adequate funding for staff, especially in the area of service coordination may not be able to meet the mandated time lines. Inability to meet the time lines could jeopardize this federal funding.

## **Conclusion**

Vacant positions, high turnover, less experienced service coordinators, salaries lower than competitors, reduced clerical, clinical, and fiscal support positions, higher supervisor to service coordinator ratios, and the rent deficit have had a significant impact on the consumers and their families. Ironically, the mandated 62:1 staffing ratio, combined with the above issues, may have resulted in a lessor quality of services to some families. Additionally, understaffed regional centers may reduce federal funding.

Service coordinators are the primary contact that consumers and their families have with the regional center. It is difficult to do true person-centered-planning when service coordinator positions go unfilled, or are filled with staff with limited experience, who do not know the consumers. Consumers and families may not be fully informed of all of the resources that are available to them.

The increasing complexity of the regional center system requires a great deal more time to train service coordinators in all areas of the system. With the high turnover and lack of support functions, many centers do not have the time necessary to train new service coordinators. Additionally, the high turnover of service coordinators causes a lack of continuity of services to consumers and their families. Some families have had several service coordinators in a one year period. Consumers and families continue to have to re-educate service coordinators on their backgrounds and issues. This can result in frustration for the consumer and family at best and a delay in receiving necessary services at the worst.

Additionally, the lack of proper staffing in the clinical, resource development, quality assurance finance and administrative areas also has an impact on the consumers and families. Lack of proper clinical staffing has an impact on the intake process as well as ongoing consulting and support that is provided to services coordinators, consumers, families and vendors. Inadequate staff in the area of resource development may limit the choices that a consumer has in terms of services. A shortfall of staffing in the quality assurance area can lead to less than ideal services in the community. The impact of under staffing the finance area can have an immediate impact in regards to payment to vendors who provide the direct services to consumers.

The results of this survey indicate significant issues especially in the area of hiring and retaining service coordinators as well as other staff. While many centers already face a problem in the

area of operations, even those that do not currently have an operations problem foresee one in the very near future.

Centers are faced with the delicate balancing act of the need to increase salaries to attract and retain staff with the concern of the impact this action will have on their limited overall operations budget. It is clear that to properly provide all the services that regional centers must provide under the mandate of the law as well as best practices, appropriate staff compensated at proper levels is required.

The study conducted by Citygate Associates completed in September of 1999 proposed a staffing model that would require 24% more funding in the operations area. While the Citygate study may not be the definitive answer, it is becoming increasingly evident that a increase of some significant amount is required to fully fund operations to allow regional centers to properly serve consumers and families.