

February 13, 2023

Senator Caroline Menjivar  
Chair, Senate Budget Subcommittee #3 on Health and Human Services

Assemblymember Dr. Joaquin Arambula  
Chair, Assembly Committee on Budget, Subcommittee #1 on Health and Human Services

**RE: Department of Developmental Services (4300) – Governor’s 2023-24 Proposed Budget**

Honorable Senator Menjivar and Assemblymember Arambula:

The Association of Regional Center Agencies (ARCA) represents the network of 21 regional centers, community-based organizations that serve approximately 400,000 Californian children and adults with developmental disabilities. We thank you for this opportunity to comment on the Governor’s proposed Budget for FY 2023-24 for the Department of Developmental Services (DDS).

**Continuing the Momentum**

As California’s COVID-19 Public Health Emergency draws to a close, we have an opportunity to reflect on the lessons we have collectively learned in the last three years. For those in the developmental disabilities community, this period has been very challenging from health care and service impact perspectives. Stronger than anticipated state revenues have, however, fueled long-needed change and investment in the service system. We have seen shifts towards more sustainable funding, the removal of barriers to accessing critical services, greater investment in actionable data, and targeted supports for specialty populations. The Fiscal Year 2023-24 Budget provides an opportunity to harness the momentum of these positive changes and to take thoughtful next steps to build upon them.

**Advancing Sustainability**

Prior to the pandemic, the greatest challenge for the developmental services system was its reliance on old funding formulas that hampered its ability to evolve to meet current needs. In 2019 the state issued a rate study demonstrating these fiscal shortfalls, but there was no comprehensive strategy to correct them. All the while, the number of people each service coordinator was expected to support, and the complexity of the work, continued to increase dramatically. These dynamics left the system in a position of doing its best to try to meet the needs of people with developmental disabilities and their families, but lacking the resources to do it. Quality outcomes cannot be achieved without a foundation of fiscal sustainability.

### Fully Funding Service Coordination

The Fiscal Year 2022-23 Budget included two important investments intended to drive down caseload ratios for regional center service coordinators, so they could spend the necessary time with each person they support and their family. The Regional Center Performance Measures program included resources to reduce overall caseload ratios and bring them closer to the levels California has promised those served by regional centers and the federal government. Additionally, investments were made to begin targeted reductions of caseload ratios for young children (birth through age 5), to allow service coordinators greater time to work with families just learning to navigate the systems their children need. ARCA strongly supports the inclusion of \$102.1M (TF) to fund the *actual* costs of service coordination for those children 0-5, and proposes phasing in this practice for *all* individuals served by regional centers through modernization of the Core Staffing Formula, a need highlighted in the [State Auditor's 2022 report](#) on this topic.

### Keeping Rate Models Current

The Burns and Associates rate model recommendations for service providers again ties rates paid for services to the actual cost of providing them. When fully implemented in July 2024, service providers will receive the rates that various cost inputs (*e.g.*, labor, real estate, travel) indicated would be needed for each geographic area in 2022. A significant fiscal investment was needed to achieve this because the system's prior rate-setting methodology was frozen, even as the cost of providing services continued to climb. ARCA supports the inclusion in the Governor's Budget of \$10.1M (GF) for necessary adjustments due to an increased federal mileage rate, \$78.2M (GF) for additional costs associated with increases in the statewide minimum wage, and the proposal to automatically adjust rate models in response to future minimum wage increases. We further propose that approved rates automatically adjust on a regular schedule in response to other changing costs. This commitment will keep rates current, which will lead to greater predictability and better outcomes.

### Removing Barriers to Access

For individuals and families served by regional centers, a developmental disability leads to their involvement in many service systems, which may include special education, the Social Security Administration, Medi-Cal, In-Home Supportive Services, and the regional center. This adds a layer of complexity to their lives. One of regional centers' core missions is to reduce the stress associated with the developmental disability on the individual and their family, including stress from the complexity of accessing needed services. While service coordination can address part of this, streamlining programmatic rules is also critical.

### Permanent Elimination of Family Fees

Having a child with developmental disabilities comes with significant financial costs for families. Regional centers' coverage of needed services reduces, but does not eliminate, those costs. The Annual Family Program Fee (AFPF) and Family Cost Participation Program (FCPP) both require some families to pay a portion of the cost of needed services. Both fees were suspended throughout the pandemic and are proposed for reinstatement in July 2023 through the Governor's Budget. ARCA opposes this proposal as additional burdens discourages families from accessing needed services and supports. It also injects a financial component into a relationship that is meant to focus solely on needs, goals, and outcomes.

### Fewer Administrative Burdens

Regional centers were designed to fill in the gaps in services offered by other "generic" agencies. Federal funding requires regional centers to fund services only after the exhaustion of generic funding. In FY

2009-10 the concept of exhaustion was expanded to include a requirement that individuals served by regional centers and their families appeal a denial of generic funding for needed services in some instances. ARCA proposes the elimination of the appeal requirement, which was anticipated to save \$15.7M (GF) in FY 2009-10, in part because people would forgo needed services.

### **Strengthening Actionable Data**

More comprehensive data is needed to support the developmental services system's focus on more intentionally measuring not just what has been purchased or provided, but what impact that investment has had on individuals' lives. Our current data systems and measures do not provide decisionmakers – at the individual, local, or statewide level – with quality, real-time, actionable data.

#### *Comprehensive Data Systems*

ARCA supports the inclusion of \$12.7M (TF) in the Governor's Budget to support ongoing work on the replacement of the regional center case management and fiscal data systems. More broadly, ARCA supports the ongoing commitment this needed modernization.

#### *Measuring Equity*

ARCA supports the inclusion of \$2.2M (TF) for regional center workload associated with the implementation of AB 1957 (Wilson, Ch. 314, Statutes of 2022). This will provide information about the timelines for receiving Individual Program Plan documents (cross-referenced by written language) and the volume of recently restored services accessed (by race and ethnicity). Measuring our success in advancing equitable access to service delivery is critical. An additional step that should be taken is the establishment of consistent measures to track overall progress on achieving greater equity over time.

### **Targeted Support for Complex Populations**

Individuals served by regional centers may have needs arising from a variety of factors beyond their developmental disabilities. As with the broader population, individuals with developmental disabilities are multi-dimensional. Services and supports provided to them must be a good fit for the whole person. In prior years significant investments have been made to support people with medical challenges or intensive behavioral support needs, either related or in addition to their developmental disabilities. ARCA is pleased to see new investments proposed in the Governor's Budget for critical populations.

#### *Systems Coordination for Foster Youth*

Thousands of children and youth served by regional centers also interface with child welfare or juvenile probation systems. ARCA supports the inclusion of \$1.6M (TF) in the Governor's Budget for regional center staffing to better support coordination with these local also serving this vulnerable population. Separately, by the end of the 2023 calendar year, regional centers are committed to streamlining intake processes for this population to make service access for them more straight-forward and timely.

#### *Building Expertise in Autism*

ARCA supports the proposal in the Governor's Budget for the establishment of the DDS Autism Services Branch. This \$1M (TF) investment will yield significant benefits to the state's developmental services system through greater understanding of the fastest growing population it supports. ARCA anticipates this investment in greater clinical expertise will lead to the establishment of best practices in screening, diagnosis, and treatment for Autism Spectrum Disorder, including for the growing adult population.

Strengthening the Safety Net

ARCA supports continued investments in the state's safety net, including additional services and supports targeting those with forensic and psychiatric needs. DDS's Safety Net Plan reflects thoughtful consideration of the needs of populations the regional centers continue to struggle most to support in community settings and a willingness to think beyond traditional models to meet their needs. In the coming months, ARCA looks forward to continuing to work with DDS towards our shared goal of meeting these complex needs.

ARCA will continue to build on our long-standing collaborative relationships to partner with those served, their family members, the Legislature, the Administration, and community organizations. We are deeply committed to meeting today's needs with an eye towards the future. The ongoing work of respectful and equitable engagement with our system's stakeholders is making this possible. By continuing to do so, we will be able to keep the promise of the Lanterman Act for hundreds of thousands of Californians who rely on it.

Sincerely,

/s/

Amy Westling  
Executive Director

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