

February 1, 2022

Senator Susan Talamantes Eggman
Chair, Senate Budget Subcommittee #3 on Health and Human Services

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

RE: Department of Developmental Services (4300) – Governor’s 2022-23 Proposed Budget

Honorable Senator Talamantes Eggman and Assemblymember Arambula:

The Association of Regional Center Agencies (ARCA) represents the network of 21 regional centers, community-based organizations that serve nearly 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 2022-23 for the Department of Developmental Services (DDS).

Progress During the Pandemic

The last two years has been a frightening and trying time for people with developmental disabilities, many of whom are at higher risk of medical complications from COVID-19, and their families. The pandemic has disrupted daily life and previously consistent routines and support options. The strength and resilience this community has demonstrated during this time cannot be overstated.

Better than anticipated state finances ahead of finalization of the FY 2021-22 Budget, in combination with short-term federal investments in response to the pandemic, provided a much-needed infusion of resources into California’s developmental services system. These funds were wisely invested in advancing several critical initiatives to improve services to young children, expand service options and flexibilities, enhance services to diverse communities, support the expansion of the Self-Determination Program, and incentivize good individual and systemic outcomes. Implementation of these critical policies has begun and will yield benefits for many years to come.

Supporting Specialty Populations

One of the hallmarks of California’s developmental services system is the recognition that individual service options need to be tailored to meet the unique needs of each person served by a regional center. When there are gaps identified in the service models available to meet the needs of specific populations, targeted investments are needed to ensure members of those groups are not inadvertently left behind.

Employees with Developmental Disabilities

In September 2021 Governor Newsom signed SB 639 (Durazo), which will phase out subminimum wage employment in California for individuals with disabilities. This includes thousands of people served by

regional centers. Regional centers are committed to supporting those individuals in transitioning to other employment options ahead of the deadline. ARCA supports the proposed \$8.2M (TF) included in the Governor's Budget for new employment service models to support those moving from Work Activity Programs and exiting secondary education. Employment is a source of pride and identity for many. Supporting individual employment journeys during this period of transition is the right thing to do.

Deaf or Hard of Hearing

It is estimated approximately 14,300 individuals supported by regional centers have a developmental disability and are also either deaf or hard of hearing. Connectedness with others is a core feature of the human experience and is the foundational driver behind efforts to enhance opportunities for integration and inclusion for individuals with developmental disabilities. Effective communication is a key element that makes connection to others possible. ARCA supports the proposed \$14.3M (TF) in the Governor's Budget to fund communication assessments for those served by regional centers who are deaf or hard of hearing as well as the one-time investment of \$700k (TF) to secure a consultant skilled in this area to inform this work.

Young Children

Needed services for most infants and toddlers under the age of three who have identified delays or risk factors for developmental disabilities are provided through California's Early Start system and implemented by the regional centers. On the child's third birthday, responsibility for many therapies and interventions shifts to the school system. This transition has always been challenging for young children and their families, but has grown even more so during the pandemic. There are approximately 3,000 children over the age of three who have not yet been successfully moved to needed special education services. ARCA supports the proposed \$13.2M (TF) included in the Governor's Budget to support Early Start-to-school transitions through regional center special education specialist positions and to develop more inclusive preschool options.

Investing in Service Stability

A significant driver of service outcomes is the stability of the relationship between the individual being supported and the service they receive. The longer an individual person can be supported by the same Direct Support Professional (DSP), the greater the benefit achieved. Additional investments included in the Governor's Budget will help support these improved outcomes with further benefit possible with targeted additional investments.

Direct Support Professional Training

One of the outcomes of the FY 2021-22 Budget was implementation of the recommendation to better compensate DSPs who complete additional training and certification. This has the dual effect of providing people with developmental disabilities with more highly trained staff, as well as creating a clear career path for DSPs, which encourages longevity. ARCA supports the inclusion of \$11.9M (TF) in increased costs for DSP training wage augmentations in the Governor's FY 2022-23 Budget due to the anticipation that by the end of that fiscal year, approximately 10,000 DSPs will complete at least the first level of certification. This investment in a stable, quality workforce will yield long-term benefits and improved outcomes.

Rate Model Implementation

In early 2019 a rate study released by DDS quantified the need for additional investment in service provider rates to promote their long-term sustainability and encourage sufficient service capacity. The

FY 2021-22 Budget included an agreement on a four-year phased-in implementation of the recommended changes, with the first investment anticipated for April 2022. ARCA supports the \$427.1M (TF) funding for full-year implementation of the April 2022 service provider rate increases included in the Governor's Proposed Fiscal Year 2022-23 Budget.

ARCA additionally supports the request of Lanterman Coalition. The Coalition is composed of many of the leading statewide developmental services organizations in California. We join them in seeking to accelerate the rate model implementation, including modification of the date of the second phase of anticipated rate increases from July 1, 2023, to July 1, 2022. This investment will both enhance the stability of the DSP workforce and support staff recruitment necessary to achieve a return to greater in-person service delivery options as some pandemic-era flexibilities fade.

Advancing Service Coordination as a Direct Service

Every person with a developmental disability served by a regional center has an assigned service coordinator. This professional supports the individual and their family as they navigate various service systems, engage in person-centered planning, and secure needed resources to strive to achieve their unique goals. The effectiveness of this critical direct service is significantly impacted by the number of people each service coordinator is working to support. Due in large part to chronic underfunding of positions needed to support growing populations, caseload ratios have grown to unsustainable levels in recent years, resulting in service coordinators spending much of their available time on compliance activities. ARCA is heartened to see the recognition of the value of high-quality service coordination reflected in the Governor's Budget for FY 2022-23, but also recognizes this year as an opportunity to correct long-term funding formulas that erode critical investments in this area.

Regional Center Performance Incentive Program

The Governor's Budget includes a proposal for \$87.5M (TF) to support the Regional Center Performance Incentive Program, with a priority for the funds to reduce caseload ratios within the regional centers. ARCA supports this proposal, which reflects a deal made between the Legislature and the Administration during FY 2021-22 Budget negotiations. This promises to be transformative and provide those served by regional centers with the service coordination support they have been assured and need to thrive.

Reduced Caseload Ratio for Young Children

ARCA also supports the inclusion of \$51.1M (TF) included in the Governor's Budget for FY 2022-23 to provide the youngest children supported by regional centers with reduced caseload ratios. For families new to disabilities services, this targeted investment will provide more frequent scheduled and on-demand contact. This support wrap will provide them the support they need to learn about a variety of services available to them, enhance their service navigation skills, and cement the relationship with their regional center early in their child's life.

Stabilizing Funding for Regional Center Operations

Anticipated and proposed investments in regional center operations in FY 2022-23 will correct funding gaps that have widened significantly over time. As a result, this year presents a unique opportunity to also correct the structural problems in the annual budgeting formula (known as the "Core Staffing Formula") that underfunds growth and erodes sustainability, in large part because its underlying fiscal assumptions have not been updated in decades.

In FY 2022-23, the cost of updating the formula would be approximately \$21.6M GF (\$32.2MTF), equal to approximately 2.6% of the total anticipated regional center operations budget. Like implementation

of the rate models for service provider rates, this update would promote stability for those served by regional centers and encourage longevity of staff in critical service coordination positions, which would enhance trust and promote better outcomes.

Other Investments

ARCA supports and appreciates additional investments proposed in the Governor’s Budget for FY 2022-23 that will better support people with developmental disabilities and their families. Two notable additional investments in the DDS portion of the Budget include recognition of the salary needs of regional center Emergency Coordinators, reflective of their independent decision-making authority, and the inclusion of needed supervision positions to support Enhanced Service Coordination. In other areas of the Budget, ARCA appreciates and supports investment in addressing the pandemic’s strains on our health care system, as well as work to improve the state’s disaster-readiness and disaster resilience, as these cross-cutting issues also impact the lives of people with developmental disabilities.

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. This is possible only by hearing and respecting the diverse perspectives of our system’s stakeholders. By doing 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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