

## **Developmental Services Funding**

The regional center system has grown and evolved from two regional centers serving under a thousand clients in 1966, to 21 regional centers serving over 300,000 people with developmental disabilities and their families. Regional centers provide intake, assessment, eligibility determination, resource development, and case management services. They also oversee and pay the tens of thousands of businesses and people providing services (“service providers”) to those people living in the community.

Both regional centers and service providers are critical for serving people and families. They combine to make up the “community services” part of the “developmental services budget,” and do not include developmental centers. The over 45,000 service providers are paid based on “units” of service provided (e.g., hours in a program). They form the “Purchase of Service” (POS) part of the budget. Regional centers are funded by an equation based on the number of people served by the center. This “core staffing formula” yields a total amount of money called the “Operations,” or OPS, budget. That money is how regional centers provide service coordination, resource development, and quality assurance.

ARCA has authored three reports, one about POS, one on OPS, and a final one on the impact of long-term funding shortfalls. The reports examine the unique challenges in each area, look at how funding limitations have hurt service providers’ and regional centers’ ability to provide the types and levels of services and supports needed by individuals with developmental disabilities and their families, and explore the impact of these limitations. Brief descriptions, and links to the full reports, are provided here. For specific questions, please call 916-446-7961.

### **INADEQUATE RATES FOR SERVICE PROVISION IN CALIFORNIA [<http://www.tinyurl.com/POS-rates>]**

The POS budget, with its stagnant rates, directly impacts people with developmental disabilities. From July, 2000, to January, 2013, inflation in California, as measured by the CPI, increased 36.6%. But since 2000, the budget crises have caused rate increases to be infrequent and minimal, even as actual costs have continued to increase. Most individuals live in the community as intended by the Lanterman Act, but this requires new and different services to help with independence, self-sufficiency, and quality of life. And those services require appropriate funding.

- The demographics of the individuals served by regional centers have changed – most significantly, there are more individuals with autism.
- Over 70,000 children will leave public schools in the next 12 years. Their services will then be primarily provided by regional centers. 24,000 will need services in the next three years alone.
- Modern medicine lets both people served by regional centers, and their parents, live longer. Over 5,400 persons between the ages of 52 and 62 and older with disabilities still live with their parents. Regional centers need to develop services for them.

Over the next decade or so, the system will be strained by a need for services that are difficult to develop and sustain at current, inadequate funding levels.

Many studies and reports have all come to the same conclusion; the rate system is inadequate and does not effectively support services as intended. Some changes to the system have been tried, but there must be a long-term, comprehensive solution reflecting cost realities. The client population has shifted, and the service delivery system has evolved, but the rate system has not kept pace with those changes.

**FUNDING THE WORK OF CALIFORNIA'S REGIONAL CENTERS [<http://www.tinyurl.com/RC-OPS-report>]**

In recent years, it has become harder for regional centers to provide individuals and their families with the critical services they need and deserve because of both the expansion of workload requirements and budget reductions. Work requirements, mostly administrative, have been added to regional centers' responsibilities without the money needed to carry them out. Similarly, there have been budget reductions without a decrease in workload or expectations. This dynamic ultimately makes it harder for regional centers to effectively serve people with developmental disabilities and their families.

As noted above, the core staffing formula gives each regional center a pool of money to pay staff wages and cover operating expenses such as staff traveling to family homes for meetings. Greater administrative expectations either require regional centers to employ fewer service coordinators or split their staff's time between administrative and case management functions. In either case, service coordinators have less time to spend with each individual whom they support, giving planning teams less opportunity to fully explore how to creatively support each person and their family. Additionally, regional center staff have less time to spend ensuring the quality of existing services, and working with community providers to develop new services to meet current and future needs.

Aside from the critical benefit regional center services provide to individuals and families, they also help ensure California receives approximately \$2.5 billion in federal funding annually. To get that money, the state has to meet statutory caseload ratios and have enough services to meet people's needs. In 1997, the federal government found problems in these areas and said the state wasn't doing enough to protect the health and safety of individuals. This cost the state \$933 million in lost federal funds. Right now, not a single regional center is meeting all of its mandated caseload ratios. As the amount of federal funding involved is much higher now, so is the financial risk of failing to correct this problem.

**ON THE BRINK OF COLLAPSE [<http://www.tinyurl.com/dd-collapse>]**

California's community-based system for individuals with developmental disabilities was established as an alternative to institutional care and now supports more than 99% of individuals outside of state-run institutions through lifelong case management and planning services. The system relies on regional centers to perform intake, assessment, and service coordination and on community service providers to deliver individualized direct supports. Together, they work with each individual and his or her family to ensure that needs are being met and that progress towards independence is being made.

Long-term underfunding of the service system, however, has left both regional centers and service providers struggling to serve more people with fewer resources, which results in higher caseloads and less customization of service options. Today, caseload ratios are higher than in most other states and service rates are lower despite the higher cost of living and working in California.

The report puts California's current system into both historical state and contemporaneous national perspectives. In doing so, it shows how spending at nearly the lowest levels in the country are pushing service providers out of business, forcing regional centers to carry caseloads above legal limits, and is leaving individuals oftentimes to receive *a service*, rather than *the right service*.