



# California Association for the Retarded

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May 31, 2005

The Honorable John Laird, Chair  
Legislative Budget Conference Committee  
State Capitol  
Sacramento, CA 95814

**Re: SB 77 - Item 4300 (Department of Developmental Services)**  
**Action: Augment Item 4300 by \$94.7 million (\$83.5 million General Fund) and Make Changes to Proposed Self-Determination Program**

Dear Assemblymember Laird:

On behalf of the California Association for the Retarded, I am writing to ask that the Budget Conference Committee **augment Item 4300 – Department of Developmental Services** – to protect the quality and availability of regional center services provided to people with developmental disabilities. CAR is a nonprofit statewide organization with 10 local units that include family advocacy organizations, operators of day programs, and parent groups at state developmental centers.

**Drastic Cuts in Regional Center Spending.** Since 2003, the State has drastically restricted spending for regional center programs as a result of a number of budget cost containment measures. The most significant of these include cuts, rate freezes and elimination of funds for the start up of new programs. During recent Budget Subcommittee hearings, the Department of Developmental Services (DDS) noted that the savings achieved by these measures had been substantially higher than originally intended. Community programs experience the same types of cost increases that other state programs are dealing with including utilities, workers' compensation insurance, rent, staff and other overhead. Because the budget fails to account adequately for these increased costs, these programs must respond by reducing staff, wages, and sometimes program hours. Most programs already have exhausted their fund-raising abilities.

**Inconsistencies in State Priorities.** Last year, we wrote to express our concern about state policy-makers' making long term funding commitments to other sectors of government. What these commitments failed to acknowledge was the restrictions they would place on the amount of future funds available to critical health and human service programs such as regional center services for people with developmental disabilities provided under the *Lanterman Developmental Services Act*.

The negative side of the state's budget action on regional center programs has been a dangerous deterioration in the quality and quantity of services. Regional center programs struggle to get by with a worker payment system that ranges from minimum wage to \$10 an hour with few if any benefits, retirement, or job stability.

This has happened at the same time the state is allowing funding for other state sectors and groups of state employees, such as the corrections program, to continue to grow unabated. It also has happened at the same time the state is pouring millions into developing new and expanded community programs to accommodate people who are moving from developmental centers, especially Agnews Developmental Center which is slated to be closed June 30, 2007. Such spending is necessary because the availability of existing programs is simply inadequate to handle the added responsibilities of serving former developmental center residents.

**Conference Committee Needs to Reconsider Budget Committee Actions.** In order to reverse the deterioration in the quality and availability of community programs for all regional center clients, **I urge the Conference Committee to augment the Item 4300 by \$94.7 million (\$83.5 million General Fund)** to achieve the following:

1. Lift Rate Freezes. I urge you to support the Assembly action to lift rate freezes for day programs, respite, and habilitation services in 2005-06.
2. Eliminate Program Rate Reductions. I urge you to support the action by the Assembly to restore the 2.5 percent reduction sustained by supported employment programs in June 2003. I further ask that that Conference Committee go one step further and also restore funds to offset the 5 percent reduction sustained by work activity programs (WAPs) in June 2003. In June 2003, the 5 percent rate cut was made to WAP rates established from 1998-99 audited cost statements. It is cost-ineffective to continue to reduce funds for work activity and supported employment because the focus of these programs is to assist in providing paid work for regional center clients.
3. Reject Remaining Cost Containment Actions. I urge that you eliminate the need for (a) delays in new consumer assessments, (b) family cost participation, (c) continuation of existing (from 2004-05) and implementation of new (for 2005-06) unallocated reductions for regional center operations and purchase of services, and (d) suspension of funds for start-up of new community programs.

**Modify the New Self-Determination Program.** CAR has a number of concerns about the new Self-Determination program that the department is putting forward in separate budget trailer language. I urge you to delete proposed provisions of this new program that would (a) exclude congregate services (both day program and residential) from the list of services available to regional center clients who opt into the new program and (b) reduce participants' individual budgets by 10 percent. The program exclusion is contrary to the Lanterman Act's emphasis on the availability of consumer choice. In addition, the proposed reduction of client budgets will further erode the availability of funds for fragile programs that already are attempting to cope with the cumulative effect of recent rate reductions, freezes and lack of start up funds. Finally, because of the many questions that consumers and providers have expressed, we recommend that the department not be granted authority to put through implementing regulations on an emergency basis. The normal regulation development schedule would allow more time to resolve concerns and questions and build for a more stable program.

**Fulfilling the Lanterman Act Requirements.** We know there has been much discussion and attention focused on the issue of promises made to support different segments of government such as education and local government. We also have a direct concern with schools since a significant portion of school budgets go for special education. Both our school system as well as regional center services are being severely tested by the exploding increase in autism diagnoses. But while education is important, the Legislature also has made a commitment to people with developmental disabilities, through the Lanterman Act, to provide a system of services that adequately meets their needs. Please remember the Legislature's promise to people with developmental disabilities as embodied in the Lanterman Act and **increase Item 4300 by \$94.7 million (\$83.5 million General Fund)**. Thank you for your attention to this critical issue.

Sincerely,

Marion Lieberman  
President

cc: Members of the Budget Conference Committee  
Governor Schwarzenegger