



ASSOCIATION OF REGIONAL CENTER AGENCIES

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April 5, 2013

Honorable Bill Monning
Chair, Senate Budget & Fiscal Review - Subcommittee #3
State Capitol, Room 4066
Sacramento, CA 95814

RE: Department of Developmental Services - Governor's 2013-14 Proposed Budget

Dear Senator Monning:

The Association of Regional Center Agencies (ARCA) represents the nonprofit regional centers that serve over 250,000 Californian children and adults with developmental disabilities. We appreciate the opportunity to provide our comments on the Governor's proposed Budget for 2013-14 for the Department of Developmental Services (DDS). Attached is ARCA's position on the Governor's proposed budget for the DDS.

ARCA appreciates the Governor's proposal to allow the 1.25% provider and regional center operations payment reductions to sunset. Restoring provider rates and regional center operations funding is an important step toward ensuring an adequate network of community-based service providers as well as sufficient regional center staff members to carry out the promises of the Lanterman Act while meeting federally-mandated caseload ratios. However, as California's developmental services system has endured over \$1 billion in cuts in recent years, additional steps are needed to restore the system.

In 2009 eligibility criteria for California's Early Start program was tightened in order to achieve fiscal savings. As a result, many young children have gone without necessary early childhood intervention and therapeutic services. As intervention is most effective when provided at the youngest age possible, restoration of the Early Start program eligibility criteria should be a priority. This important step represents an essential investment in the future of our children.

In addition to several years of payment reductions, community-based service providers have faced other challenges as a result of the state's fiscal crisis. One such obstacle is the requirement that providers who receive in excess of \$500,000 per year have a financial audit completed, oftentimes at a cost of \$10,000 or more. ARCA proposes that this threshold be raised to \$2 million, which is consistent with the requirements established in the Nonprofit Integrity Act of 2004.

As California recovers from its fiscal crisis, it is imperative that the state work to repair the infrastructure to support individuals with developmental disabilities in community-based settings.

Sincerely,

/s/

Eileen Richey
Executive Director

Cc: Members, Senate Budget & Fiscal Review Subcommittee #3
Jennifer Troia, Consultant, Senate Budget and Fiscal Review Subcommittee #3
Mareva Brown, Chief Consultant, Senate Human Services Committee
Kirk Feely, Senate Republican Fiscal Office
Diane Van Maren, President Pro Tempore's Consultant, Health
Jackie Wong, President Pro Tempore's Consultant, Human Services
Shawn Martin, Legislative Analyst's Office
Lishaun Francis, Legislative Analyst's Office
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