

Governor's Budget Summary 2016-17 Department of Developmental Services

DEPARTMENT OF DEVELOPMENTAL SERVICES

The Department of Developmental Services (DDS) provides individuals with developmental disabilities a variety of services that allow them to live and work independently or in supported environments. California is the only state that provides developmental services as an individual entitlement. The state is in the process of closing all the state-operated developmental centers, except for the secure treatment area at the Porterville Developmental Center. By the end of 2016-17, DDS estimates it will serve approximately 302,000 individuals with developmental disabilities in the community and 847 individuals in state-operated developmental centers. For 2016-17, the Budget includes \$6.4 billion (\$3.8 billion General Fund) for support of developmental services.

DEVELOPMENTAL CENTER CLOSURES

DDS carries out its responsibilities through 21 community-based, non-profit corporations known as "regional centers" and three state-operated developmental centers. The Administration announced in 2015 the planned closure for the three remaining developmental centers: Sonoma, Fairview and the general treatment area of Porterville.

To assist in the development of community resources for placement of current developmental center residents, the Budget includes \$146.6 million (\$127.2 million General Fund). This amount includes \$78.8 million General Fund specifically for Sonoma (\$24.5 million), Fairview (\$29.7 million), and Porterville (\$24.6 million).

As part of the developmental center closure activities, the Budget also includes \$18 million (\$12 million General Fund) to resolve open workers' compensation claims, inventory and archive clinical and historical records, execute an independent monitoring

contract as stipulated by the federal government, and relocate residents and their personal belongings.

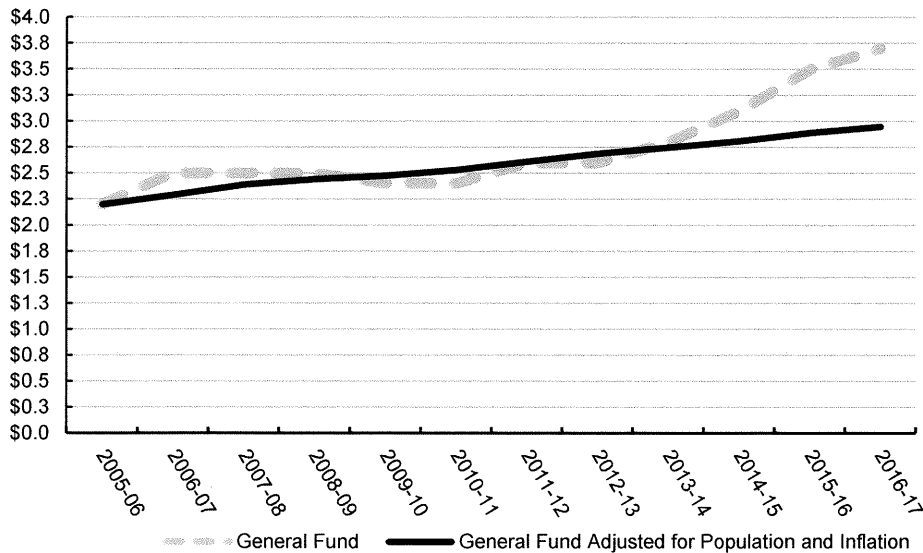
REGIONAL CENTER SERVICES

The regional center system is projected to serve more than 300,000 individuals with developmental disabilities and their families in the budget year. Regional centers provide intake, assessment, eligibility determination, resource development, and case management services. The centers also work with the thousands of businesses and individuals providing developmental services in the community.

The shift of the remaining consumers from developmental centers to the community, which will be complete by 2021 (with the exception of the secure treatment program at Porterville and the Canyon Springs facility), increases the urgency to improve the state’s oversight role, identify service cost drivers, and implement efforts that support the efficient delivery of quality services.

Since 2013-14, as shown in Figure HHS-04, regional center costs have grown from \$2.5 billion General Fund to \$3.1 billion General Fund in 2015-16. This represents a 24-percent increase despite a freeze on provider rates. Caseload growth over the same

Figure HHS-04
Department of Developmental Services
Budgeted Expenditures vs. Inflation & Population Growth
 (Dollars in Billions)



period has been only 5.7 percent. Not all of the causes of this increase are known, although increases in autism services, an aging population, individuals transitioning from the developmental centers into the community, and individuals moving from their family homes into supported living arrangements, are all contributing to the increase. To improve the oversight and understanding of the regional center system, the Budget includes targeted resources to improve the data systems and research capacity of DDS. The Budget includes \$1.9 million (\$1.3 million General Fund) and 14 positions for audit functions and to create a new fiscal and research unit that will help develop accurate, reliable, and data-driven programmatic information and service trends that can improve the administration of the regional center system.

Provider rates throughout the developmental services system have become a complex and layered patchwork over time. Many rates have been frozen for years, although rates have been increased recently for state and federal mandates such as minimum wage increases and overtime. The core staffing formula used to adjust regional center budgets based on the number of consumers served has not been adjusted for the majority of classifications since 1991. Under the Home and Community-Based Services Waiver, the federal government is mandating many changes to the delivery of services in the community. In recognition of these demands, the Budget includes \$80 million (\$50 million General Fund) for the following targeted investments in the developmental services system:

- Establish 4-bed Alternative Residential Model homes rate—\$46 million (\$26 million General Fund). The rates for these homes are old and were originally based on a 6-bed model, so providers have two fewer beds from which to derive revenue while maintaining the same overhead. The smaller 4-bed model is increasingly used by regional centers. A large portion of regional center clients living outside their family home live in Alternative Residential Model homes.
- Case Managers—\$17 million (\$12 million General Fund). The federal government mandates a maximum caseload for each case manager employed by a regional center. These ratios were eroded during the recession to preserve direct services to regional center consumers and will be improved by the funding provided in the Budget.
- Compliance with Home and Community-Based Services Waiver requirements—\$15 million (\$11 million General Fund). The Department will target rate increases to providers to transition services like segregated day programs and

sheltered workshops to models that are more integrated in the community and consistent with the Home and Community-Based Services Waiver.

The Administration will also continue its work with the developmental services community to develop data-driven solutions to the issues facing regional centers and providers. Any additional targeted spending proposals are expected to be funded from the proposed extension of the managed care organization tax.

DEPARTMENT OF PUBLIC HEALTH

The Department of Public Health is charged with protecting and promoting the health and well-being of the people in California. The Budget includes \$3 billion (\$134 million General Fund) in 2016-17 for the Department.

Significant Adjustments:

- Timely Outbreak Detection and Disease Prevention—The Budget includes \$1.6 million General Fund and 14 positions to enhance state laboratory capacity to address communicable diseases through increased disease surveillance and testing.
- Implementation of the Medical Marijuana Regulation and Safety Act—The Budget contains \$457,000 in 2015-16 and \$3.4 million and 14 positions in 2016-17 for the Department to begin its regulatory responsibilities associated with the Act. For additional information on the Act, see the Statewide Issues Chapter.