

**Department of Developmental Services**

**2010-11 Budget Highlights**



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# **DEPARTMENT OF DEVELOPMENTAL SERVICES 2010-11 BUDGET HIGHLIGHTS**

## **PROGRAM HIGHLIGHTS**

The Department of Developmental Services (the Department) is responsible under the Lanterman Developmental Disabilities Services Act (Lanterman Act) for ensuring that over 240,000 persons with developmental disabilities receive the services and support they require to lead more independent and productive lives and to make choices and decisions about their lives.

A “developmental disability” originates before the age of 18 and continues indefinitely. Developmental disabilities include mental retardation, cerebral palsy, epilepsy, autism, and related disabling conditions.

California provides services and supports to individuals with developmental disabilities in two ways: the vast majority of people live in their families’ homes or other community settings and receive state-funded services that are coordinated by one of 21 non-profit corporations known as Regional Centers. A small number live in four state operated developmental centers and one small state operated community facility.

The number of consumers with developmental disabilities in the community served by Regional Centers is expected to grow in fiscal year 2010-11 to 249,975. The number of consumers living in state operated residential facilities will decrease by the end of fiscal year 2010-11 to 1,947.

The budget includes \$4.9 billion total funds (\$2.6 billion General Fund) for the Department in 2010-11, a net increase of \$203.1 million (\$96.9 million General Fund) above the revised 2009-10 budget. It is important to note that these figures do not reflect the increase in federal matching funds proposed in the General Fund budget solutions contained in control section 8.65.

## **COMMUNITY SERVICES PROGRAM**

### **2009-10 Updates**

To provide services and support to persons with developmental disabilities in the community, the budget updates 2009-10 funding to \$4.0 billion total funds (\$2.2 billion General Fund), an increase of \$67.2 million (\$131.1 million General Fund) from the 2009-10 enacted budget primarily due to an increase in reimbursement authority for receipt of funds from the California Children and Families Trust Fund (Proposition 10) and the backfill for the loss of funding from the Public Transportation Account.

For 2009-10, the budget retains the total community caseload estimate of 242,495 included in the enacted 2009 budget.

The budget includes a net increase of \$67.2 million total funds (\$131.1 million General Fund) in 2009-10 for Regional Center Operations and Purchase of Services (POS). This is composed of:

### **Caseload and Utilization**

- \$1.0 million for increased Regional Center Operations costs primarily due to increased Home and Community Based Services waiver enrollments.
- \$16.2 million increase for changes in POS primarily due to the loss of the June 2009 Supplemental Security Income - State Supplementary Payment (SSI/SSP) rate increase assumed in the prior estimate and a minor increase in forecasted expenditures.

### **Reimbursements**

- \$50 million in increased reimbursement authority to receive additional Proposition 10 funding for Regional Center services for children up to age five. The Department is working closely with the California Children and Families Commission to secure the additional \$50 million in Proposition 10 funding consistent with Section 18.30 of the enacted 2009 Budget.

### **Fund Shift**

- \$138.3 million increase in General Fund due to the loss of funding from the Public Transportation Account resulting from the outcome of the Shaw vs. Chiang litigation. This funding change does not affect the total amount budgeted for Community Services.

## **2010-11**

The budget proposes 2010-11 funding for services and support to persons with developmental disabilities in the community at \$4.2 billion total funds (\$2.2 billion General Fund), an increase of \$162.0 million (\$45.6 million General Fund), over the revised 2009-10 budget. It is important to note that these figures do not reflect the increase in federal matching funds proposed in the General Fund budget solutions contained in control section 8.65.

Total expenditure growth has slowed to about 4 percent due to the many cost saving measures the Department has implemented over the last several years, compared to the average increase of about 10 percent in the last 4 years. The growth in the program is primarily due to increased caseload growth of 3.1 percent, with the remaining growth due to change in caseload demographics (e.g. increased percentage of persons with autism) and utilization of services.

For 2010-11, the budget projects the total community caseload at 249,975.

The budget includes a net increase of \$162.0 million total funds (\$45.6 million General Fund) in 2010-11 for Regional Center Operations and POS. This is composed of:

### **Caseload and Utilization**

- \$2.5 million increase in Regional Center Operations costs primarily due to caseload increases.
- \$225.9 million increase for changes in POS due to increased caseload and utilization.

### **Impacts from Other Departments**

- \$50 million increase to fund service reduction proposals in Medi-Cal, IHSS, SSI/SSP and other programs that will increase Regional Centers POS costs in 2010-11.

### **Prevention Program**

- \$9.1 million increase to annualize the Prevention Program created in 2009-10. These funds have been reduced from Regional Center Operations and POS funding.

### **Cost Saving Items**

- \$100.5 million decrease due to the full year implementation of the program reforms developed through the budget advisory workgroup and approved by the Governor and Legislature in 2009-10.
- Continued savings of \$115.7 million due to the one year delay in the sunset of the three-percent payment reduction for Regional Center Operations (\$16.2 million) and services (\$99.5 million) that will now expire on June 30, 2011. The Department will continue to provide flexibility and relief to Regional Centers' operational requirements by temporarily suspending specified reporting requirements and the 1:66 caseload ratio requirement for consumers residing in the community with specified exemptions, and the requirement that regional centers have, or contract for, specialized expertise in specified areas.
- \$25 million decrease in General Fund as a savings target for additional program reforms to be developed through the budget advisory workgroup while maintaining the entitlement and ensuring program and service integrity.
- An increase of \$52.5 million in 1915(i) reimbursements for full-year implementation and expansion of consumer services associated with a 1915(i) amendment to California's Medicaid State Plan submitted to the Centers for Medicare and Medicaid Services in December 2009.

### **Fund Shifts**

Additionally, General Fund was reduced by the following fund shifts that do not affect the total amount budgeted for Community Services:

- An increase of \$42.7 million in the Temporary Assistance to Needy Families block grant.

- An increase of \$200 million from the California Children and Families First trust fund accounts. This is in addition to the \$50 million that continues from 2009-10.

## **DEVELOPMENTAL CENTERS PROGRAM**

### **2009-10 Updates**

To provide services and support for persons with developmental disabilities that live in four state operated developmental centers and one small state operated community facility, the budget updates 2009-10 funding to \$603.8 million (\$261.1 million General Fund). The decrease of \$69.4 million (\$30.7 million General Fund) from the enacted budget is primarily due to administrative actions, such as furloughs and overtime/holiday reductions.

#### **Developmental Center Population Adjustments**

The budget includes a decrease of 69 consumers (from 2,220 to 2,151).

The Department reduced 233.8 positions (some partial year) through administrative actions since the 2009 budget was enacted, including the staffing reductions associated with the projected decrease in consumers.

#### **Closure of Sierra Vista Community Facility**

Consistent with cost control measures enacted in the 2009-10 budget the Department is in the final stages of closure of the Sierra Vista Community Facility. The last resident left in December 2009. The lease on the facility expires February 28, 2010.

### **2010-11**

The budget proposes 2010-11 funding for services and supports to persons with developmental disabilities that live in four state operated developmental centers and one small state operated community facility at \$640.9 million (\$309.7 million General Fund), decrease of \$32.4 million (\$18.0 million increase in General Fund) from the enacted budget, but an increase of \$37.1 million (\$48.7 million General Fund) over the 2009-10 revised budget. The increase from the revised budget is primarily due to the elimination of furloughs, with the General Fund increased further due to the loss of enhanced federal matching funds in January 2011.

#### **Developmental Center Population Adjustments**

The budget reflects a decrease of 143 consumers (from 2,151 to 2,008).

The Department will reduce 435 positions in 2010-11 including the full year effect of the 233.8 positions (358 positions) eliminated in 2009-10 and an additional 77 positions associated with the closure of the Sierra Vista Community Facility.

## **HEADQUARTERS**

### **2009-10 Updates**

In support of the Community Services and Developmental Center Programs, the budget updates the 2009-10 funding for Headquarters operations to \$34 million (\$21.7 million General Fund). This decrease of \$4.2 million (\$2.8 million General Fund) from the enacted budget is primarily due to administrative actions, such as furloughs and overtime/holiday reductions.

### **2010-11**

The budget proposes 2010-11 funding for Headquarters operations at \$38.1 million (\$24.4 million General Fund), a net increase of \$4.1 million (\$2.7 million General Fund) from the revised 2009-10 budget primarily due to the elimination of furloughs.

The budget includes five limited term positions to implement program reforms that will capture additional federal financial participation of \$64.6 million in 2009-10 and \$117.1 million in 2010-11. These positions are critical to capturing the additional federal funds already assumed in the 2009-10 budget as well as to secure the federal funding already assumed as part of the Intermediate Care Facility – Developmentally Disabled (ICF-DD) State Plan Amendment.