

**2008-09 Governor's Budget
Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

4300 Department of Developmental Services (DDS)

Title: Community Services

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$683				
- Governor's Budget					
<u>2008-09</u>					
Workload Budget	\$2,603,819	\$75,407	\$1,499,881		
Reductions	\$261,599		\$119,200	\$380,799	
Governor's Budget	\$2,342,220	\$75,407	\$1,380,681		

Program Description

Through the network of regional centers, the Department supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community. The Department also assesses the needs of individuals who reside in state-operated facilities and develops community resources to assist those who would be more

appropriately served in the community. The regional centers directly provide or coordinate the following services and supports in accordance with Individual Program Plans: (1) information and referral, (2) assessment and diagnosis, (3) counseling, (4) lifelong individualized planning and service coordination, (5) purchase of necessary services included in the individual program plan, (6) assistance in finding and using community and other resources, (7) advocacy for the protection of legal, civil, and service rights, (8) early intervention services for at-risk infants and their families, (9) genetic counseling, (10) family support, (11) planning, placement, and monitoring for 24-hour out-of-home care, (12) training and educational opportunities for individuals and families, (13) community education about developmental disabilities, and (14) habilitation services.

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4300 Department of Developmental Services (DDS)
Community Services Program
Title: Rollback Devereux Maintenance Contract

	GF	FF	Other	Total Reductions	PY Reduction
2007-08					
Workload Budget					
Reductions					
Governor's Budget					
2008-09					
Workload Budget					
Reductions	\$1,185			\$1,185	
Governor's Budget					

Program Description

The Community Services Program supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community. The Legislature augmented the Department's budget in 2000-01 to provide support for the maintenance of services at a Devereux facility located in Santa Barbara. Funding is through a contract between the Department and Devereux.

Program Reduction

The Department proposes to eliminate funding for this contract as Devereux has gradually reduced its services to consumers and the supplemental grant can no longer be justified.

Reduction Impacts

Due to concerns raised in an audit of the program, the contract was not executed for 2006-07 or 2007-08. Thus the impact of this reduction is negligible.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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**4300 Developmental Services (DDS)
Family Cost Participation Program**

Title: Increase Savings through Family Cost Participation Program Redesign

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$773			\$773	
Governor's Budget					

Program Description

Welfare and Institutions (W&I) Code Section 4783 authorized the Family Cost Participation Program (FCPP), effective January 1, 2005. The FCPP requires regional centers to assess a share of the cost of respite, child day care, and camping services to parents who have a child, aged 3 through 17 living at home and not eligible for Medi-Cal.

This program does not involve any fee or payment to the Department or Regional Center. The family is informed of the number of units of service for which they are financially responsible and they pay this amount directly to the provider. The family share of cost is on a sliding scale and ranges from 5 percent to 80 percent of the cost of services. The most recent data shows that over 5,000 families are in the program and updated estimated net annual General Fund cost savings/cost avoidance based on the current program is \$3,095,000.

Early Start is California's system of early intervention services provided to infants and toddlers with a developmental disability, developmental delay, those at-risk of developmental delay or disability, and their families. Per federal requirements, infants and toddlers are served from birth up to thirty six months of age. As of September 1, 2007, there were 30,500 infants and toddlers being served in the California Early Start

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Program. Currently, parents are not assessed a share of cost for any of the services provided in the Early Start program.

Program Reduction

The proposal would expand the FCPP as follows:

1. Increase the participation of families that earn 400 percent to 500 percent of the Federal Poverty Level (FPL) to 10 percent of the share of cost.
2. Increase the share of cost from 80 percent to 100 percent at 2,000 percent of FPL (currently, \$343,000 for a family of three) or above.
3. Add children under age 36 months (for the three existing services in the program).

Reduction Impacts

Parents who have a child under 3 years of age living at home will be required to pay a share of cost for daycare, respite and camping services.

Parents who have a child ages 3-17 living at home will be assessed a higher share of costs if their income is 400 percent-500 percent FPL or at or above 2,000 percent FPL.

Timing of Implementation

A change to the current FCPP (3-17 years of age) sliding scale could be implemented July 1, 2008, assuming that legislation can be approved and the regional centers could implement the changes to existing consumer individual program plans by July 1, 2008. This would require an amendment to W&I Code 4783(c) to state the share-of-cost assessment will apply up to 100 percent cost participation. The share-of-cost changes will apply to existing consumer individual program plans as well as new consumers, effective July 1, 2008.

The expansion of the FCPP to Early Start consumers (under 3 years of age) could be implemented Oct 1, 2008, assuming timely federal approval and regional centers are able to implement the changes to the existing consumer individual program plans. This would require amending the W&I Code Section 4783 to include consumers under 3 years of age in the FCPP and receiving an approved the State Plan that is anticipated to take six (6) months. Implementing cost sharing in the Early Start Program will require federal approval.

This proposal would also include repealing the sunset date for the FCPP of July 1, 2009 (W&I Code 4783(n)).

Statutory and/or Regulatory Change

As indicated above, changes to W&I Code 4783 will be required.

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**4300 Department of Developmental Services (DDS)
Regional Centers**

**Title: Freeze all Currently Unfrozen Regional Center Negotiated Rates and
Establish Limits for New Negotiated Rate Programs and Services**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	Totals included in POS Cost Containment Measures				
Governor's Budget					

Program Description

The Department of Developmental Services supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community.

Program Reduction

Since fiscal year 2003-04, rates negotiated by regional centers for providers vendored in 38 specified service codes have been frozen. This proposal seeks to (1) freeze all the other provider types where the regional center negotiates rates, and (2) set parameters or limits on the rates for new providers with whom the regional centers may negotiate.

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Reduction Impacts

Expanding the freeze to all regional center negotiated rates only impacts current providers of services, this proposal would also establish an upper limit on the rates regional centers can negotiate for new providers of services in the 73 service codes/categories affected. The upper rate limit for new providers of negotiated rate services would be either the individual regional center's median rate for the service code under which the new provider will be providing services or the statewide median rate for that service code, whichever is less. This proposal would not apply to providers whose rates are currently linked to those set by the Department of Health Care Services (Schedule of Maximum Allowance) or providers whose rates and services are primarily for the general public ("Usual and Customary" rates, such as taxi cabs, day care centers, etc.). Regional centers will be required to annually certify to the Department their median rate for each negotiated rate service code and this information will be subject to verification through the Department's biannual fiscal audits of regional centers.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will require statutory language for imposing the comprehensive freeze, setting forth the rate setting limits on new providers, permissive authority for the Department to promulgate regulation if needed, and to give the Department authority for granting health and safety waiver exemptions. This waiver provision will allow the state to provide for a vulnerable consumer when necessary and comply with the Olmstead decision.

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**4300 Department of Developmental Services (DDS)
Community Services**

**Title: Reduce Purchase of Services Costs through Continuation of the Temporary
Cost Containment Measures**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$228,822		\$100,900	\$329,722	
Governor's Budget					

Program Description

The Department of Developmental Services supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community.

Program Reduction

This proposal represents an extension of the temporary cost containment measures enacted in the Budget Acts of 2003-2007.

Reduction Impacts

- **Non-Community Placement Start-Up Funding Freeze:** Under this proposal, a Regional Center may not expend any Purchase of Services funds for the startup of any new program unless the expenditure is necessary to protect the consumer's health or safety or because of other extraordinary circumstances, and the DDS has granted authorization for the expenditure. Anticipated cumulative 2008-09 savings equal \$32.7 million General Fund.
- **Day, Work Activity and In-Home Respite Program Rate Freeze:** These Programs are community-based services for individuals served by a Regional Center. The rate

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freeze means that providers with a temporary rate in effect on or after June 30, 2003 cannot obtain a higher permanent rate. Anticipated cumulative 2008-09 savings equal \$14.4 million (\$10.7 million General Fund).

- Community Care Facility (CCFs) Service Level Freeze and Elimination of Pass Through: The Budget Act of 2003 froze the CCF rates. Further, the Supplemental Security Income and State Supplementary Payment Programs (SSI/SSP) cost-of-living-adjustment that is paid to CCFs by the federal government is being used to off-set General Fund expenditures for these services. Elimination of the pass through is accomplished administratively. Anticipated 2008-09 savings equals \$47.4 million (\$28.4 million General Fund) as a result of the freeze continuation and \$9.3 million (\$5.6 million General Fund) cumulatively associated with the elimination of the pass through.
- Contract Services Rate Freeze: Some Regional Centers contract, through direct negotiations, with providers for certain services in lieu of the DDS setting an established rate. Continuation of the rate freeze would mean that Regional Centers cannot provide a rate greater than was in effect as of June 30, 2008. Anticipated 2008-09 savings equal \$196 million (\$127.8 million General Fund).
- Habilitation Services Rate Freeze: The Habilitation Services Program consists of the (1) Work Activity Program (WAP), and (2) Supported Employment Program (SEP). Anticipated cumulative 2008-09 savings equal \$11.5 million (\$9.4 million General Fund).

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Purchase of Services	2008-09
1 Non-CPP Start-up Funding Freeze	-\$32,772,000
<i>General Fund</i>	-32,772,000
2 Day Program, Work Activity Program, and In-Home Respite Rate Freeze (Temporary to Permanent)	-14,437,000
<i>General Fund</i>	-10,674,000
<i>Other</i>	-3,763,000
3 CCF Service-Level Freeze	-47,350,000
<i>General Fund</i>	-28,423,000
<i>Other</i>	-18,927,000
4 Contracted Services Rate Freeze	-196,036,000
<i>General Fund</i>	-127,776,000
<i>Other</i>	-68,260,000
5 Habilitation Services Rate Freeze	-11,532,000
<i>General Fund</i>	-9,367,000
<i>Other</i>	-2,165,000
6 SSI/SSP Pass-Through Elimination; implemented administratively	-9,276,000
<i>General Fund</i>	-5,565,000
<i>Other</i>	-3,711,000
Purchase of Services Total	\$311,403,000
<i>General Fund</i>	-214,577,000
<i>Other</i>	-96,826,000
Freeze Negotiated Rates	\$18,319,000
<i>General Fund</i>	-14,245
<i>Other</i>	-4,074
Grand Total	\$329,722
<i>General Fund</i>	-228,822
<i>Other</i>	-100,900

Timing of Implementation

Effective July 1, 2008

Statutory and/or Regulatory Change

This proposal will require changes in law.

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**4300 Department of Developmental Services (DDS)
Community Services and Supports Division
Title: 10 Percent Rate Reduction to Supported Employment Programs**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	0	0	0	0	0
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$7,740		\$1,816	\$9,556	
Governor's Budget					

Program Description

The Supported Employment Program (SEP) provides services to assist consumers to enter into employment and to maintain their employment status. These services also assist consumers as they leave school to enter the adult world as employed citizens.

Program Reduction

This proposal would reduce the 24 percent rate increase received by providers of Supported Employment Services in 2006-07, by 10 percent.

Reduction Impacts

The implementation of the temporary rate freeze in fiscal year 2003-04 significantly limited the growth in the number of consumers getting jobs. To effect an increase in the number of consumers entering employment, in fiscal year 2006-07 a 24 percent rate increase was given to SEP providers for wage increases to staff providing supported employment services. That rate increase was expected to assist in the development of 600 additional new jobs annually. This proposal assumes no reduction in the number of consumers entering employment services.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will require a change in state statute. Sections 4860 (a) and (b) of the Welfare and Institutions Code would need to be amended to reflect the 10 percent rate reduction for SEP.

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**4300 Department of Developmental Services (DDS)
Community Operations Division**

Title: Reduce Clients' Rights Advocacy Agreements by 10 Percent

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$512			\$512	
Governor's Budget					

Program Description

The Department of Developmental Services (DDS) contracts with Protection and Advocacy, Inc., through its Office of Clients' Rights Advocacy (OCRA), for the statewide provision of clients' rights advocacy to consumers served by the 21 regional centers. The provision of clients' rights advocacy through an agency outside DDS is established in Welfare and Institutions Code (WIC) section 4433. The current contract is for five years. The Fiscal Year (FY) 2008-2009 contract cost is projected to be \$5,121,000.

Program Reduction

The DDS would reduce the FY 2008-2009 contract by 10 percent achieving a cost savings of \$512,100.

Reduction Impacts

Cost reductions would decrease the contractor's ability to provide direct advocacy, assistance, and consultation to consumers and their families, as well as indirect assistance such as training and educational efforts.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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**4300 Department of Developmental Services (DDS)
Community Services and Supports Division**

Title: Reduce Community Placement Plan Operations by 10 Percent

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$660			\$660	
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$2,000			\$2,000	
Governor's Budget					

Program Description

The Community Placement Plan (CPP) provides dedicated funding to cover the costs of moving developmental center residents to the community and for deflection of individuals from developmental center admission. The community placement plan is consistent with and implements requirements in the Lanterman Act and Olmstead decision that consumers be served in the least restrictive environment that meets their needs when community placement is appropriate and resources allow. The community placement planning process is incorporated into the State's Olmstead Plan and was cited in the Sanchez v DDS lawsuit as evidence of California's compliance with the Olmstead decision.

Program Reduction

This proposal would reduce the amount of funding for regional center operations under the CPP.

Reduction Impacts

Regional Centers will have fewer resources to build community capacity for placement.

Timing of Implementation

The reduction will be effective March 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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**4300 Department of Developmental Services (DDS)
Community Services**

**Title: Reduce Regional Center Operations through Continuation of the
Temporary Cost Containment Measures**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$20,496		\$16,361	\$36,857	
Governor's Budget					

Program Description

The Department of Developmental Services supports the development and maintenance of services for eligible persons with developmental disabilities who reside in the community.

Program Reduction

This proposal represents continuation of the regional centers temporary cost containment measures enacted in the Budget Acts of 2003-2007. Specifically, the proposals are as follows:

Delay in Assessment (RC operations): Through the Budget Act of 2002, trailer bill language was adopted to extend the amount of time allowed for the Regional Center's to conduct assessment of new consumers from 60 days to 120 days following the initial intake. Anticipated 2008-09 savings equal \$4.5 million General Fund.

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Service Coordinator Caseload Ratio (from 1:62 to 1:66): Allows regional centers to have higher caseload ratios than what is currently required, without compromising the State's commitments to the Centers for Medicare and Medicaid (CMS). Regional centers have been experiencing some difficulty maintaining the currently required caseload ratios due to caseload growth, the high cost of living in some areas of the state, and difficulties recruiting qualified staff. In addition, the slightly higher caseload ratios will result in operations savings for regional centers, and therefore, the State. Anticipated 2008-09 savings equal \$32.4 million (\$16 million General Fund).

Reduction Impacts

These measures, as indicated above, have been in place a number of years.

Cost Containment Savings

(Amounts are based on the 2008-09 November Estimate)

Savings Measure	2008-09
A. Operations	
1. 60 to 120 Days for Intake and Assessment <i>General Fund</i>	-\$4,465,000 -4,465,000
2. CPC Caseload Ratio Change from 1:62 to 1:66 <i>General Fund</i> <i>Other</i>	-32,392,000 -16,031,000 -16,361,000
Total, Operations <i>General Fund</i> <i>Other</i>	-\$36,857,000 -20,496,000 -16,361,000

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will require a change in state statute.

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(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Regional Center Operations**

**Title: Reduce Regional Center Operations for HIPAA Implementation by 10
Percent**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$23			\$23	
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$71		\$70	\$141	
Governor's Budget					

Program Description

The Health Insurance Portability and Accountability Act (HIPAA) was signed into federal law in 1996 (PL 104-191) and in 2002, the Budget Act included funding to the Department of Developmental Services (DDS) for HIPAA compliance. The primary intent and purpose of HIPAA was to promote health insurance portability and continuity for workers and their families when they change or lose their jobs and to require the secure transmission of confidential health information. Regional centers are required by contract to carry out the requirements set forth by the HIPAA Privacy and Security Regulations for business associates.

Program Reduction

The total funding received within the RC Program related to HIPAA is \$1,416,000 (\$708,000 GF and \$708,000 Reimbursements). A decrease of 10 percent would result in a reduction of \$141,000. Each regional center currently receives funds to support a compliance official position.

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Reduction Impacts

This is a marginal reduction to existing funding and will not impact the Regional Centers' capability to meet their contractual requirements related to HIPAA.

Timing of Implementation

The reduction will be effective March 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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4300 Department of Developmental Services (DDS)

Title: Developmental Centers

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$975		\$800	\$1,775	3.8
Governor's Budget					
<u>2008-09</u>					
Workload Budget	\$378,968	\$554	\$319,030		
Reductions	\$22,101		\$7,300	\$29,401	11.4
Governor's Budget	\$356,867	\$554	\$311,730		

Program Description

The Department operates five Developmental Centers: Agnews, Fairview, Lanterman, Porterville, and Sonoma. Secure treatment services are provided at Porterville Developmental Center. In addition, the Department leases two facilities for persons who require specialized behavioral interventions: Sierra Vista, a 58-bed facility in Yuba City, and Canyon Springs, a 63-bed facility in Cathedral City. Services at all facilities involve the provision of active treatment through residential and day programs on a 24-hour basis, including appropriate medical and dental care, health maintenance activities, and assistance with activities of daily living, training, education, and employment.

Exemptions

A portion of the state Developmental Center budget, \$150.7 million, is exempt from the budget balancing reductions because additional reductions could not be implemented without impacting the health and safety of residents.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Developmental Centers Division**

**Title: The Porterville Developmental Center's Secured Treatment Program
Will Not Expand Beyond Current Capacity**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$11,700			\$11,700	
Governor's Budget					

Program Description

Clients within the Porterville Developmental Center's Secure Treatment Program (STP) are court commitments having either been charged with crimes but deemed to be incompetent to stand trial or otherwise recognized to be a significant danger to themselves or others. Many have histories of sexual misconduct and some have convictions and are registered sex offenders.

A 96-bed expansion of STP is under construction with a projected completion date of October 2008. The project consists of three sites: a 96-bed residential expansion (6 units with 16 beds each), a Recreation complex, and a Reception Center/Protective Services Building. The existing STP area of approximately 300 beds is continually full.

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Program Reduction

The Porterville Developmental Center's STP will be capped at its current capacity and will not expand upon the completion of construction of new residential, recreational and reception facilities. The saving from reduced staffing and associated costs are approximately \$11.7 million in 2008-09 and \$12.5 million annually thereafter. The costs are 100% GF, as the STP is not certified for purposes of Medi-Cal funding.

The expansion project is lease revenue bond funded by the State and managed by the Department of General Services. The State will be required to begin scheduled payments on the bond funding after construction is completed, the Fire Marshal has signed off and the bonds are sold. The DDS budget includes funding for the bond payments.

Reduction Impacts

Without the additional 96 beds in the STP, additional delays would occur in the admission of consumers currently residing in jails. The likely result would be an increase in Orders to Show Cause (OSC) issued from judges. In many counties, increased attention on trial competency of consumers charged with crimes has resulted in higher numbers of consumers court ordered to PDC's STP for trial competency services and assessment of their ability to competently stand trial. Consumers with developmental disabilities are often served in specialized treatment areas isolated from the general jail population which results in additional staffing costs and other impact on jails.

Timing of Implementation

It is anticipated that the new buildings will be ready to occupy in October 2008, so the savings associated with capping the capacity of the STP would primarily occur beginning this date. Some preliminary staffing costs would also contribute to these savings.

Statutory or Regulatory Change

Will require a change in state statute.

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(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Developmental Centers Program**

Title: Reduce Staffing in Regional Resource Development Projects

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions			\$170		3.8
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$663		\$480	\$1,143	11.4
Governor's Budget					

Program Description

Regional Resource Development Projects (RRDP) are located at each of the five remaining Developmental Centers (DC), with two additional RRDPs that were formerly attached to the Stockton DC (Delta RRDP) and Camarillo DC (Westlake RRDP). RRDPs are responsible for two primary functions:

- Deflection activities that include assessment (WIC 4418.7), training and technical support when a consumer residing in the community is at risk of losing their placement that may then require admission into a DC.
- Transition activities that include: (1) liaison between the DC and Regional Centers for facilitation and monitoring of transition activities for consumers moving into the community, and (2) follow up activities for one year after movement into the community.

Program Reduction

- Reduction of the two RRDP offices no longer situated on DC grounds, including all associated OE&E costs.
 - 12 positions currently allocated including health/benefits costs (\$975,206)
 - OE&E for two office sites (\$167,353)
- Lease agreements could terminate by end of June 2008 with no negative fiscal impact.

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Reduction Impacts

Reduces support for, and therefore could impact: transition activities for consumers moving from a DC to a community living arrangement, and post-transition monitoring of consumers during their first year out of a DC to a community living arrangement.

- o Elimination of 12 positions assigned to Delta and Westlake RRDPs would increase the workload assignments to the remaining RRDP offices and require the RRDP Branch in DDS HQ to assume additional field responsibilities.

Timing of Implementation

The reduction will be effective March 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Developmental Centers Program
Title: Reduce Clients Rights Advocacy and
Volunteer Advocacy Services Agreements by 10 Percent**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$39		\$28	\$67	
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$119		\$85	\$204	
Governor's Budget					

Program Description

The Department of Developmental Services (DDS) contracts with the State Council on Developmental Disabilities for the provision of comprehensive clients' rights advocacy services, through Clients' Rights Advocacy Services and Volunteer Advocacy Services programs at each of the developmental centers and state operated community facilities. The provision of clients' rights services by an agency outside DDS is established in the Welfare and Institutions Code. The current contract is for five years. The fiscal year (FY) 2008-09 contract cost is projected to be \$2,041,949.

Program Reduction

The DDS would reduce the FY 2008-09 contract by 10 percent, achieving a cost savings of \$204,195.

Reduction Impacts

Cost reductions would decrease the number of hours of advocacy services available to consumers at each facility and decrease associated travel and operating costs.

Timing of Implementation

The reduction will be effective March 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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**4300 Department of Developmental Services (DDS)
Developmental Centers Program**

**Title: Reduce Intermediate Care Facility – Developmentally Disabled (ICF-DD)
Quality Assurance Fees by 10 Percent**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$755		\$600	\$1,355	
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$2,288		\$1,931	\$4,219	
Governor's Budget					

Program Description

The Quality Assurance (QA) Fee program was enacted in State law as sections 1324 through 1324.14 of the California Health and Safety Code. The Department of Health Care Services (DHCS) began assessing a six percent QA Fee on Intermediate Care Facilities (ICF) for Developmentally Disabled (DD) effective July 1, 2003.

The QA fee is applicable to all the ICF/DD programs in the state-operated developmental centers (DC) and community facilities (CF) and is assessed based upon total Medi-Cal ICF costs within the DCs/CFs. The current assessment for QA fees for DDS is \$28,952,000.

Program Reduction

With the scheduled closure of Agnews DC by June 30, 2008, a reduction in the number of beds assessed ICF/DD QA fees is warranted. This will result in a \$1.4 million (\$755,000 General Fund) reduction in Fiscal Year 2007-08 and a \$4.2 million (\$2.3 million General Fund) reduction in 2008-09.

Reduction Impacts

There would be no direct impact to consumers in the DCs and CFs.

Timing of Implementation

The reduction will be effective March 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Office of Protective Services (OPS)
Porterville Developmental Center (PDC)**

**Title: Reduce the Porterville DC Office of Protective Services Peace Officer I's by
10 Percent**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$181		\$129	\$310	4.3
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$547		\$391	\$938	12.4
Governor's Budget					

Program Description

The Office of Protective Services (OPS) is responsible for the safety and security of clients, staff and visitors at the State operated developmental centers and community facilities. All developmental centers, except Porterville Developmental Center (PDC), have 5.5 total positions. The OPS at PDC has 127 positions to address their responsibility for the security of clients in the Secure Treatment Program (STP) housed at PDC. Clients within the STP are court commitments having either been charged with crimes but deemed to be incompetent to stand trial or otherwise recognized to be a significant danger to themselves or others. Many have histories of sexual misconduct and some have convictions and are Penal Code section 290 registrants.

A primary function of PDC's OPS is to prevent clients from unauthorized entry into the local community. Peace officers transport STP clients to court appearances throughout the State. OPS peace officers are assigned at PDC on a 24/7 basis to monitor the entry to and egress from the STP of clients, staff and visitors to preserve safety and prevent the entry of contraband into the STP. Additionally, officers are the first responders to all client injuries, allegations of abuse, and staff calls for assistance. Officers also conduct investigations into allegations of client abuse and reports of client injuries which are

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utilized by the facility as part of their quality assurance and improvement efforts and also reviewed as part of annual licensing reviews and reviews of reportable incidents.

Program Reduction

Reduce PDC OPS Peace Officer I's by 13 positions.

Reduction Impacts

A reduction of 10 percent of the 127 OPS positions at PDC will result in 13 fewer Peace Officer I's to respond to staff calls for help to manage assaultive clients, to investigate allegations of client abuse and client injuries, to transport clients to court appearances, and to monitor entry and exit into the STP. Peace Officer vacancies already exist to cover this proposed reduction. Due to efforts currently underway to reorganize and utilize existing security guards for increased efficiency, only significant competing activities would result in the use of increased overtime.

Timing of Implementation

The reduction will be effective March 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Developmental Centers Program8**

**Title: Reduce Developmental Center/Community Facility
Operating Expenses and Equipment**

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$5,871		\$4,371	\$10,242	
Governor's Budget					

Program Description

The Department of Developmental Services (DDS) operates five large developmental centers (DCs) and two small community facilities (CFs) providing active treatment to individuals with developmental disabilities through residential and day programs, and other professional and support services. Other than Personal Services, the DC Program budget is made up of Operational Expenses and Equipment (OE&E), which includes items of expenditures such as general expenses, contracts, utilities, communications, food, drugs, clothing, travel, data processing, equipment, special repairs and legal settlements. These cost items are essential for supporting operations and maintaining the facilities.

Program Reduction

Reduce the OE&E funding for DCs and CFs by \$10.2 million in total funds. This amount includes:

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- Ten percent reductions in travel, contracts and equipment.
- Reductions to OE&E implemented through deferring purchases, preventive maintenance and repairs.
- Elimination of the Request for Bid funding to do a Feasibility Study Report as a first step toward procuring a health information system. The feasibility study will not occur until funding is budgeted for this purpose in the future.
- Elimination of the Price Increase that is calculated at 2.4 percent of the adjusted OE&E base.
- Reduce HIPAA expenditures by 10 percent.

Reduction Impacts

The costs of providing services in DCs and CFs continue to rise with inflation and not all of the costs can be controlled or deferred. Certainly, a reduction in OE&E of this magnitude will need to be aggressively managed and will present challenges. However, those challenges are more feasible to accomplish than affecting the direct care of consumers through staffing reductions.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

4300 Department of Developmental Services (DDS)

Title: Headquarters

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$119		\$100	\$219	3.2
Governor's Budget					
<u>2008-09</u>					
Workload Budget	\$27,223	\$2,351	\$12,152		
Reductions	\$2,722		\$900	\$3,622	22.9
Governor's Budget	\$24,501	\$2,351	\$11,252		

Program Description

This program provides overall management, planning and policy development, and legal, legislative, audit, and administrative services to the Department.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Administration**

Title: Reduce Information Systems Division Positions

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$540		\$180	\$720	5.7
Governor's Budget					

Program Description

The Department of Developmental Services (DDS) information systems personnel provide support to headquarters staff for mainframe, application, network, web, and training needs.

Program Reduction

1. The DDS will reduce costs of the Department of Technology Services (DTS) inter-agency agreement (IAA) by reducing the amount of storage required for email through policy, in-house education, and streamlining of processes. The DDS will reduce web costs by providing increased web support in-house. In addition, the DDS will not renew the DTS IAA for Network Consulting.
2. The DDS will reduce information systems personnel by 6 positions.

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Reduction Impacts

1) DTS IAA Reduction Impacts

- Network Services: Minimal impact through efficiencies and equipment upgrades.
- Web Services: No Impact, as DDS staff has the expertise to meet needs.
- Network Consulting: No Impact; these resources are no longer needed since network operations infrastructure has been modernized and staff are trained in using the new tools and applications.

2) Reduction in IT positions will impact the level of support that can be provided to customers. Specifically, the following areas will be impacted:

- Workforce and Succession Planning Project
- Quality Management System Support
- Relational Database Support
- ER2000 Training Project
- Business Analyst Support
- Developmental Centers Trust Help Desk Support

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Developmental Centers Program**

Title: Reduce Developmental Centers Division Headquarters Positions

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$148		\$147	\$295	2.9
Governor's Budget					

Program Description

The Developmental Center Division (DCD) provides central administrative and clinical management services to the five developmental centers (DCs) and two community facilities (CFs) to ensure the quality of services provided, compliance with state licensing and federal certification requirements, and attainment of quality assurance standards. Areas of responsibility include the development of policy and procedures for all aspects of the DC Program operations and compliance with professional clinical standards in providing effective care, treatment and habilitation training for persons with developmental disabilities. Key functions include fiscal management of the DC Program budget, administration of the statewide Capital Outlay Program, and administration of the Office of Protective Services.

Program Reduction

Reduction of 1.0 Nurse Consultant III in the Health and Direct Care Services Section, 1.0 Deputy Chief in the Office of Protective Services, and 1.0 Staff Services Analyst in the Fiscal and Program Support Section, for a total reduction of 3.0 positions in DCD.

Reduction Impacts

Elimination of three positions would increase the workload assignments to the remaining staff in DCD and may delay the response time and reduce direct involvement with requests from the DC/CF staff.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Clinical Staff Unit**

Title: Reduce Office of Clinical Services

	GF	FF	Other	Total Reductions	PY Reductions
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$128		\$127	\$255	1.9
Governor's Budget					

Program Description

The Office of Clinical Services consists of two Psychologists and a Physician. These positions provide consultative services to the Children and Family Services Branch, and other divisions at the Department of Developmental Services (DDS), as needed. The Physician liaisons with the Association of Regional Center Agencies' physicians and clinical directors as well as with the University of California Medical Schools, with which DDS contracts for training. Both Senior Psychologist positions focus on the DDS' Autistic Spectrum Disorders Initiative.

Program Reduction

One Psychologist position would be eliminated along with the Physician.

Reduction Impacts

A psychologist from another DDS organization could assist, as needed, on other special projects and programs as necessary. The health-specific activities (bill analyses, budget proposals, etc.) typically completed by the physician would be covered by the Nurse Consultant in the Branch. The DDS would have no physician representation at the high level health meetings including meetings with the UC Medical Schools, the Departments of Public Health and Health Care Services, the California

Medical Association, the ARCA physician and clinical director meetings, and meetings with special contractors focusing on consumer health issues.

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(Dollars in Thousands)**

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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(Dollars in Thousands)**

**4300 Developmental Services (DDS)
Community Services and Supports Division**

Title: Reduce Community Placement Plan Support

	GF	FF	Other	Total Reductions	PY Reductions
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$80		\$78	\$158	1.9
Governor's Budget					

Program Description

W&I 4418.25 (Statutes of 2002) requires the Department of Developmental Services (DDS) to establish policies and procedures for the development of an annual Community Placement Plan (CPP) by regional centers.

Program Reduction

The proposal would eliminate two headquarters positions that provide support to the DDS' CPP.

Reduction Impacts

The CPP headquarters staff negotiates and monitors the regional center CPPs. In planning for the June 30, 2008 closure of Agnews Developmental Center, the three Bay Area regional centers have had for the last three fiscal years a unified CPP. This unified plan has been an added workload for the DDS which, with the closure of Agnews, will cease to exist. The Department proposes to eliminate 2 Community Program Specialist II positions. The associated work previously performed by these positions will be permanently absorbed by remaining staff, thereby impacting support for statewide CPP efforts.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Fiscal Audit Appeals**

Title: Reduce Audit Appeal Position through Redesign of the Process

	GF	FF	Other	Total Reductions	PY Reductions
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$46		\$42	\$88	1.0
Governor's Budget					

Program Description

Fiscal audit appeals are required by statute and implemented through applicable Title 17 regulations. Under the current appeals program, the Department of Developmental Services (DDS) designates an individual, known as the appeals review officer, to conduct the preliminary investigation of a Statement of Disputed Issues submitted by an appellant as a part of its initial appeal, which disputes or protests a written report, finding or decision issued by the DDS or regional center relating to an audit.

Program Reduction

Under this reduction proposal, the DDS would revamp the administrative appeals process, absorb the resulting workload, and eliminate the current independent appeals review officer position (General Auditor IIII position).

Reduction Impacts

None

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Administration**

Title: Reduce Operating Expenses and Equipment

	GF	FF	Other	Total Reductions	PY Reductions
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$1,418			\$1,418	
Governor's Budget					

Program Description

The Department of Developmental Services (DDS) headquarters supports the department's programs by providing overall management, planning and policy development, and legal, legislative, audit, and administrative services to the DDS.

Program Reduction

This represents an unallocated reduction to the operating expense budget of the department. An identification of the particular items will be determined based on a fuller assessment of how travel, training, printing, general expense, communication and other expenses can be more tightly controlled.

Reduction Impacts

The department will have fewer resources to support department operations. The impact on consumers and providers will be minimal.

Timing of Implementation

The reduction will be effective July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Regional Center Audits**

Title: Reduce Regional Center Fiscal Audits Program

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions	\$23			\$23	.7
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$71		\$71	\$142	1.9
Governor's Budget					

Program Description

Under the Home and Community Based (HCBS) Waiver, the Department of Developmental Services (DDS) receives \$839 million in federal funds. As part of the requirements for the receipt of the HCBS Waiver funds, the DDS is responsible for performing fiscal audits upon each of the twenty-one regional centers "no less than every two years" and complete "follow-up reviews of each regional center in alternate years." The DDS fiscal audits are designed to ensure comprehensive fiscal accountability.

Program Reduction

The current staffing for performing the regional center fiscal audits is 17 positions. Of the 17 positions, there are 2 auditor positions that are currently vacant. It is proposed that the 2 vacant positions (Auditor I and General Auditor III) be eliminated.

Reduction Impacts

The reduction will be absorbed by doing more targeted risk-based audits of the regional center practices that are most important to complying with HCBS Waiver requirements.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

Timing of Implementation

This reduction could be implemented immediately by placing a freeze on recruiting and hiring audit staff for the vacant positions in the Regional Center Audit Section.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

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Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Vendor Audits**

Title: Reduce Vendor Fiscal Audits Program

	GF	FF	Other	Total Reductions	PY Reductions
<u>2007-08</u>					
Workload Budget					
Reductions	\$96		\$96	\$192	2.5
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$291		\$291	\$582	7.6
Governor's Budget					

Program Description

In response to recommendations from the Legislative Analysts Office (LAO) in their Fiscal Year 2004-05 analysis of the budget, the Department of Developmental Services (DDS) created a vendor audit section to perform fiscal audits upon vendors that provide services to regional center consumers. This was achieved by shifting funding and partial responsibility for performing the audits upon the vendors from the regional centers to the DDS. As a result, a dual audit approach was established in which the DDS performs audits upon the larger vendors that receive over \$100,000 in annual purchase of service (POS) and the regional centers perform audits upon vendors that receive \$100,000 or less in annual POS.

The authority for DDS to perform vendor audits is contained in Welfare and Institutions Code Section 4648.1.

Program Reduction

There are a total of seventeen positions allocated to perform the vendor audits, made up of eight positions at the Lanterman Developmental Center and nine positions located at headquarters. Four of the audit positions are currently vacant.

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(Dollars in Thousands)**

It is proposed that eight positions consisting of one office technician, one Supervising Governmental Auditor, and six auditor positions will be eliminated.

Reduction Impacts

The proposal may require the redirection or layoff of staff in the vendor audit section if natural attrition before the fiscal year-end does not occur.

The DDS ability to perform vendor audits will be reduced. The DDS will, however, examine if a more targeted, risk-based audit program will have the desired effect.

Timing of Implementation

Currently, there are four vacant auditor positions in the audit section that could be reduced immediately. By placing a freeze on recruiting, natural attrition may achieve the remaining reductions. The reductions could take place by July 1, 2008.

Statutory and/or Regulatory Change

Will not require a change in state statute or emergency regulations.

**2008-09 Governor's Budget
Budget-Balancing Reduction Proposal
(Dollars in Thousands)**

**4300 Department of Developmental Services (DDS)
Developmental Centers Program**

Title: Reduce Proposition 98 General Fund

	GF	FF	Other	Total Reductions	PY Reduction
<u>2007-08</u>					
Workload Budget					
Reductions					
Governor's Budget					
<u>2008-09</u>					
Workload Budget					
Reductions	\$913			\$913	
Governor's Budget					

Program Description

The Department of Developmental Services (DDS) provides educational services for all residents of developmental centers pursuant to Individual Program Plans and Individual Education Plans' (IEPs).

The K-12 program provides special education and related services for all residents age 22 and younger who are eligible for Special Education as defined by State and Federal Education law. Services provided are as close as possible to the general education curriculum provided to non-disabled students in California. IEPs must address student needs in both academic and functional areas.

Adult Education programs address basic education needs of residents and are designed to assist adult residents of DDS facilities in moving to the community and functioning as independently as possible. Programs provide training in basic literacy skills, independent living, and vocational skills. Education and Training programs for adults also meet licensing requirements to provide continuous active treatment.

Program Reduction

The DDS proposes to reduce funding in Item 4300-004-0001, Prop 98, by reducing the AB 1202 county contracts which covers consumers under the age of 21 who attend

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(Dollars in Thousands)**

community schools. This reduction will also impact the contracts DDS currently has with the local community colleges.

Reduction Impacts

DDS is required to provide a free appropriate public education for all students age 22 and younger who reside in the developmental centers per state and federal education law. Any reduction in funding has the potential to impact the department's ability to provide this education. AB 1202 impacts the obligation to provide services in the community when appropriate. DDS must still provide services for those who cannot attend school in the community. The reduction of education programs generally (child and adult) negatively impacts the ability of the developmental centers to provide active treatment.

Timing of Implementation

July 1, 2008.

Statutory and/or Regulatory Change

None