

ADDENDUM

ITEM 5160 DEPARTMENT OF REHABILITATION

ISSUE 6: SUPPORTED EMPLOYMENT GROUPS OF 3

BACKGROUND:

Supported Employment is a program where people with developmental disabilities are assisted in finding a job, successfully placed in the job and supported to hold onto the job over time. The group supported employment program enables the workers to succeed in competitive employment, earn wages and pay taxes.

As part of a cost cutting proposal in the 2002-2003 budget, the Legislature approved a change in the minimum number of workers necessary to qualify as a group from three to four effective July 1, 2004. An employer who currently employs three workers would have to hire a fourth worker or the state would no longer support the group. It also means that any employer considering hiring a new group of workers must be able to accommodate four workers, thus reducing the number of employers able to take advantage of the qualified work force.

The May Revision projects 108 groups (324 people) will not successfully transition. The May Revision assumes the people will lose their jobs and end-up in more expensive, non-employment programs at a cost to the State of \$1.7 million.

COMMENTS:

Motion: Reject the May Revision for a savings of \$1.7 million General Fund and the following placeholder trailer bill language.

regional center shall continue to pay the existing rate for a supported employment placement group composed of three consumers when the provider submits to the Department of Developmental Services and the regional center, by July 30, 2004, documentation that the:

- a. group was established prior to July 1, 2002, and
- b. group was at the 1:3 ratio on May 1, 2004, and
- b. employer will only accommodate a group of 3.

In consultation with the regional center, the Department of Developmental Services shall determine whether the requirements of 4865.1 have been met. The Department's decision shall be final.

Groups paid under this section shall meet the requirements of subdivision (r) of Section 4851 by July 1, 2005 or be subject to termination of funding pursuant to subsection (b) of Section 4860.