AGENDA

BUDGET SUBCOMMITTEE NO. 1 ON HEALTH AND HUMAN SERVICES

ASSEMBLYMEMBER HOLLY MITCHELL, CHAIR

WEDNESDAY, MAY 25, 2011
STATE CAPITOL, ROOM 4202
3:00PM

DISCUSSION ITEMS

CONSENT

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

THE FOLLOWING ISSUES ARE TECHNICAL ADJUSTMENTS TO ACTIONS ALREADY ADOPTED BY THE LEGISLATURE IN THE MARCH CONFERENCE COMMITTEE, AND ARE INCLUDED IN SENATE BILL (SB) 69.

ISSUE 1: TECHNICAL ADJUSTMENT –DEVELOPMENTAL CENTER STAFFING

Governor's May Revision. The Governor's May Revision request technical adjustments related to projected decreases in developmental center caseload. Adjustments are as follows: (1) an increase on $110,000, reduction of 78.0 positions, and reimbursement decrease of $2.9 million for Developmental Centers, and (2) a decrease of $110,000 and 4.0 positions, and reimbursement decrease of $97,000 for support of Developmental Center Services (Prop 98).

ISSUE 2: TECHNICAL ADJUSTMENT –DEVELOPMENTAL CENTER PROGRAM CONSOLIDATION

Governor's May Revision. The Governor's May Revision requests technical adjustments to accurately reflect the program consolidations at the developmental centers. Adjustments are as follows: an increase of $60,000 and reimbursement decrease of $60,000 for developmental centers.

ISSUE 3: TECHNICAL ADJUSTMENT –DEVELOPMENTAL CENTER OPERATING EXPENSES AND EQUIPMENT REDUCTIONS

Governor's May Revision. The Governor's May Revision requests technical adjustments related to a revised estimate of costs and additional program consolidation. Adjustments include: (1) a decrease of $33,000 and $1.2 million in reimbursements for developmental centers, and (2) an increase of $33,000 and $28,000 in reimbursements for developmental centers (Prop 98).

ISSUE 4: TECHNICAL ADJUSTMENT –CONFLICT OF INTEREST TRAILER BILL LANGUAGE SAVINGS

Governor's May Revision. The Governor's May Revision requests an increase in reimbursements by $900,000 to correct the estimated savings resulting from the cost containment measure to deter conflicts of interest.

ISSUE 5: REGIONAL CENTER GOVERNOR'S BUDGET PROGRAMMING ERROR

Governor's May Revision. The Governor's May Revision adjusts a Regional Center Operations and Purchase of Services program scheduling error. It is requested that Schedule (1) of Item 4300-101-0001 be decreased by $11,713,000 and Schedule (2) of Item 4300-101-0001 be increased by $11,713,000 to correct the program scheduling error in the Governor’s Budget.

VOTE ONLY

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 1: REGIONAL CENTER ENROLLMENT, CASELOAD AND POPULATION ADJUSTMENTS

May Revision Caseload Updates. The 2010-11 actual community caseload as of January 31, 2011 decreased by 1,131 consumers over the November Estimate caseload estimate of 244,108.

Current Year 2010-11			
Caseload	**November Estimate**	**May Revision**	**Difference**
Active (Age 3 and Older)	213,140	212,600	-540
Early Start (Birth through 2 Years)	27,443	27,103	-340
Prevention (Birth through 2 Years)	3,525	3,274	-251
Total Community Caseload	**244,108**	**242,977**	**-1,131**

The 2011-12 estimated community caseload as of January 31, 2012 decreased by 2,028 consumers over the November Estimate caseload estimate of 251,702.

Budget Year 2011-12			
Caseload	**November Estimate**	**May Revision**	**Difference**
Active (Age 3 and Older)	219,608	218,524	-1,084
Early Start (Birth through 2 Years)	28,209	27,624	-585
Prevention (Birth through 2 Years)	3,885	3,526	-359
Total Community Caseload	**251,702**	**249,674**	**-2,028**

Governor's May Revision (Current Year 2010-11). The Governor's May Revision for current year 2010-11 recognizes Regional Center adjustments for enrollment, caseload and population (ECP). A total GF reduction of $51.1 million ($66.0 TF) as follows: RC Operations an increase of $8.4 million GF (decrease of $2.9 million TF); Purchase of Services (POS) a decrease of $59.5 million GF (decrease of $63.1 million TF); decrease in reimbursements of $14.2.0 million; decrease in Developmental Disabilities Program Development Fund of $0.7 million. These figures include ECP related adjustments to savings for the 4.25 percent payment reduction, fees related to the Intermediate Care Facilities – Developmentally Disabled (ICF-DD) State Plan Amendment (SPA), Community Placement Plan (CPP) funds not yet allocated, and conforming reductions in Impact from Other Department funding due to delayed implementation dates. A portion of these current year savings ($28.5 million) will be used to cover implementation lags in the proposals to achieve $174 million GF savings in 2011-12.

Governor's May Revision (Budget Year 2011-12). The Governor's May Revision for budget year 2011-12 recognizes Regional Center adjustments for ECP. A total GF reduction of $56.6 million ($43.7 TF) as follows: RC Operations an increase of $0.1 million GF (decrease of $0.3 million TF); POS a decrease of $56.7 million GF (decrease of $43.4 million TF); increase in reimbursements of $13.6 million; decrease in Developmental Disabilities Program Development Fund of $0.7 million; and a decrease in Federal Trust Funds of $17,000. These figures include ECP related adjustments to savings for the 4.25 percent payment reduction and fees related to the Intermediate Care Facilities – Developmentally Disabled (ICF-DD) State Plan Amendment (SPA). $55.6 million of these budget year savings decrease the amount to be achieved in the proposals for $174 million GF savings in 2011-12.

ISSUE 2: REGIONAL CENTER OPERATIONS – NEW MAJOR ASSUMPTION: FEDERAL MEDICAID REQUIREMENTS FOR REGIONAL CENTERS TO VENDOR PROVIDERS OF HOME AND COMMUNITY BASED SERVICES

Governor's May Revision. The Governor's May Revision requests an adjustment for Regional Center Operations, for federal Medicaid requirements for providers of Home and Community-Based Services (HCBS). An increase by $492,000 and Reimbursements increase by $492,000 is made.

Staff Comment. These adjustments reflect an increased regional center workload under federal Medicaid requirements for HCBS services. The adjustment provides for 16.0 regional center positions in 2011-12 to: (1) comply with federal Medicaid rules, (2) address the audit findings in the Centers for Medicare and Medicaid Services' (CMS) 2010 draft, "Medicaid Integrity Program, California Comprehensive Program Integrity Review," and (3) avoid a potential loss of approximately $1.6 billion in federal financial participation by determining that all prospective and current vendors are eligible and remain eligible to participate as Medicaid service providers.

ISSUE 3: REGIONAL CENTER POS – REVISED MAJOR ASSUMPTION: FEDERAL REQUIREMENT FOR FINANCIAL MANAGEMENT SERVICES FOR PARTICIPANT DIRECTED SERVICES

Governor's May Revision. The Governor's May Revision requests an adjustment for Regional Center POS, to meet the federal requirement that states provide Financial Management Services (FMS) for Participant Directed Services. The current HCBS waiver includes three vouchered services that meet the federal definition of participant directed services (respite, transportation, and day care). This increase of $881,000 GF and $882,000 Reimbursements ensures continued FFP for these services.

ISSUE 4: DEVELOPMENTAL CENTERS - AGNEWS CLOSURE ADJUSTMENTS – POSITIONS AND UNMATCHED REIMBURSEMENT REDUCTION

Governor's May Revision. The Governor's May Revision requests a decrease of $3.5 million in reimbursements and 30.5 positions under the Developmental Center Budget for the closure of Agnews Developmental Center.

Staff Comment. This adjustment reflects further costs associated with the elimination of the Primary Care Clinic and Warm Shut Down staffing at Agnews. The 30.5 positions and the $3.5 million in reimbursements is unmatched by the state and is being removed from the Department’s budget for 2011-12 as part of the May Revision. The general fund reduction of $2.8 million (applied to the DDS workforce cap, and to be reduced through executive order) was already addressed in March Conference Committee.

ISSUE 5: FAIRVIEW DEVELOPMENTAL CENTER FIRE ALARM SYSTEM UPGRADE

Governor's Budget. The Department of Developmental Services requests re-appropriation of $8.6 million General Fund for the construction phase of the Fairview Fire Alarm System Upgrade.

Background. The fire alarm system upgrade was approved in the 2008-09 Budget with $9.0 million General Fund for Preliminary Plans ($597,000), Working Drawings ($565,000), and Construction ($8.5 million). The system was approved to meet the current fire codes in consumer-utilized buildings in Fairview. The outdated fire alarm system at Fairview DC affects the safety and quality of life of individuals living and working in the DC. For example, routinely fire and police personnel are dispatched to living units to silence loud audible fire alarms –sometimes during sleeping hours. Between January 1st and 20th, 2007 the Fairview Office of Protective Services responded to 23 fire call that were false alarms. Complete upgrade of the system is necessary because replacement parts are no longer available for this 1970's model.

The preliminary plans for the project were delayed by three months that were never recuperated. There was also a four month delay due to the belief that the Project would be designed in-house by DGS staff, but ultimately due to budgetary issues an Architectural/Engineering firm was hired.

The new project completion date is estimated for September 30, 2012.

Staff Comment. The Subcommittee rejected this budget change proposal on February 10, 2011. However, the Administration disagreed with this action. The item was re-heard in Subcommittee on May 4, 2011 and the Subcommittee held it open.

DISCUSSION ITEMS

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 1: ICF-DD SPA TRAILER BILL LANGUAGE TO EXTEND LIQUIDATION PERIOD OF 2007-08 AND 2008-09 APPROPRIATIONS

Background. The Intermediate Care Facilities-Developmentally Disabled (ICF-DD) State Plan Amendment (SPA), approved by Centers for Medicare and Medicaid Services on April 15, 2011, provides for supplemental payments to ICF-DD facilities for the cost of residents' day and transportation services arranged by Regional Centers and associated administrative costs effective for services on and after July 1, 2007.

Proposed Trailer Bill Language. Language extends the liquidation timeline to bill and receive further reimbursements by the Federal Government. The liquidation would be extended by 6 additional months to December 31, 2011.

Staff Comment. Although DDS, RC's and ICF-DD's have worked diligently to accomplish the retroactive billing, due to the multi-layered changes required to implement the new process of paying ICF-DD's, DDS cannot issue all retroactive payments by June 30, 2011. Therefore, DDS requests the 2007-08 and 2008-09 appropriations be extended through December 31, 2011.

ISSUE 2: 2011-12 FINAL PROPOSALS TO ACHIEVE DEVELOPMENTAL CENTERS $15 MILLION GENERAL FUND SAVINGS

Background. The May Revision makes a current year reduction to the Developmental Center (DC) budget of $44.3 million ($35.8 million GF), from the 2010-11 Enacted Budget. This reduction is due to workforce cap and contracts, and administrative actions, as well as an increase in retirement. In addition, the May Revision includes a BY 2011-12 reduction of $68.9 million ($18.4 GF) as compared to the 2010-11 Enacted Budget. Since the November Estimate, the DC 2011-12 budget has taken the following reductions; in addition to the $15 million, GF unallocated reduction:

- Lanterman Staff Reduction
- Residence and Program Consolidations
- OE&E Reductions
- Agnews Closure Adjustments

Details on the proposals to save $15 million in Developmental Centers are as follows:

○ DEVELOPMENTAL CENTER STAFFING REDUCTIONS DUE TO DECREASED POPULATION

Governor's May Revision. Staffing adjustments are made to account for caseload adjustments to Developmental Centers. The May Revision reflects a decrease of 9 residents as compared to the November Estimate for current year 2010-11. These savings contribute to the $15 million GF reduction to Developmental Centers adopted in March.

Caseload	November Estimate (CY 2010-11)	May Revision (CY 2010-11)	Difference
Canyon Springs	56	51	-5
Fairview	413	412	-1
Lanterman	340	347	7
Porterville	557	559	2
Sonoma	613	601	-12
Total Average In-Center Population	**1,979**	**1,970**	**-9**

Based on these updates, the current year is reduced by $1.4 million GF ($3.3 million TF).

The May Revision reflects a decrease of 31 residents as compared to the November Estimate for budget year 2011-12. This includes a limit to the number of residents served in the Porterville Secure Treatment Program discussed in Issue

Caseload	November Estimate (BY 2011-12)	May Revision (BY 2011-12)	Difference
Canyon Springs	55	50	-5
Fairview	386	377	-9
Lanterman	235	271	36
Porterville	532	499	-33
Sonoma	575	555	-20
Total Average In-Center Population	**1,783**	**1,752**	**-31**

Based on these updates, the budget year is reduced by $3.2 million GF ($6.1 million TF) and 82.0 positions.

○ PORTERVILLE SECURE TREATMENT PROGRAM TRAILER BILL LANGUAGE

Governor's May Revision. The Governor's May Revision proposes to reduce the Porterville Secure Treatment Program limit from 297 to 230 residents. This request adjusts the Developmental Center Budget as follows: a decrease of $5,137,000 GF and a reduction of 71.0 positions, to reflect the reduction of the Porterville Developmental Center Secure Treatment Program (STP) caseload. As residents are court ordered into the program, residents must transition out as they complete the program. This means there will be higher savings in 2012-13 once the program is reduced to the 230 cap for the full year.

Proposed Trailer Bill Language. California statute specifies the number of beds at Porterville Developmental Center to be 297. Language will amend the previous population maximum from 297 to 230. Additionally, it includes language to allow the Department to maximize federal financial participation (FFP) by limiting the number of residents ineligible for FFP to 104.

○ DEVELOPMENTAL CENTER OPERATING EXPENSES AND EQUIPMENT REDUCTIONS

Governor's May Revision. The Governor's May Revision proposes one-time current year operating expense and equipment (OE &E) reductions of $2,184,000 GF ($2,460,000 TF), and budget year OE&E reductions of $3,075,000 GF ($4,234,000 TF) to meet the $15 million GF savings adopted in March. The current year OE&E reductions are for the most part reductions to special repair and general expenses, and in budget year, the savings are primarily related to major equipment, janitorial services, general expenses, and OT/PT/ST funds.

Staff Comment. The additional Developmental Center $15 million GF System-wide Adjustments closed Conference Committee with a 5-0 vote on each house.

○ DEVELOPMENTAL CENTER COST CONTAINMENT ADJUSTMENTS

Governor's May Revision. The Governor's May Revision requests that Schedule (1) of Item 4300-003-0001 for budget year 2011-12 be increased by $3,612,000 GF to reflect savings achieved in fiscal year 2010-11 as part of the 2011-12 $15.0 million developmental centers cost containment measures. This increase is fully offset by current year 2010-11 one-time staffing savings ($1.4 million GF) and one-time special repair, contracts, and OE&E savings ($2.2 million GF).

ISSUE 3: 2011-12 FINAL PROPOSAL TO ACHIEVE THE $174 MILLION GENERAL FUND SAVINGS AND TRAILER BILL LANGUAGE

Background. As a result of the State's on-going fiscal crisis, the Department of Developmental Services (DSS) has experienced continuous budget reductions, in addition to frozen provider service rates since 2008. In the 2009-10 fiscal year a total General Fund (GF) reduction of $334 million ($302 million in forgone federal funds) and a 3 percent, reduction for purchase of service payments and regional center operations was adopted. In the 2010-11 fiscal year, a $200 million GF reduction and a 4.25 percent reduction to purchase of service payments and regional center operations was adopted.

January 10th Governor's Budget. The Governor's 2011-12 Budget included a $750 million GF reduction to the Department of Developmental Services –this is a $1.2 billion reduction total funds. This reduction was made in addition to statewide budget reductions, including state workforce reductions, hiring freezes, furloughs, and wage reductions. The Governor's implementation proposal included: $125 million in alternative federal/special funds; the extension of the 4.25 percent reduction to purchase of service reimbursements and operations; savings from increased accountability and transparency measures at Regional Centers; and the implementation of Purchase of Service Statewide Standards –to be developed through eight workgroups that would achieve a $424 million GF savings. Trailer bill language was proposed by the Administration.

The Legislatures Proposal in Senate Bill 69. The Legislature adopted a $576.9 million General Fund reduction included in Senate Bill 69. This effectively backfills $173.1 million of the Governor's proposed reduction in January. Ultimately, multiple proposals to achieve the $576.9 million GF reduction were adopted, but a $174 million GF reduction was proposed to be achieved through Subject Area Workgroups, That would look at the DD system for best practices that would result in savings.

The Legislature proposal includes the following components:

List of Proposals to Reduce	Governor's General Fund Reduction	Legislature's General Fund Reduction
1. Alternative Funds & Fund Shifts		
• Federal Certification of Porterville DC	-$10 million	-$13 million
• Federal funds through 1915 (i) State Plan	-$60 million	-$60 million
• Proposition 10 Funds for Early Start	-$50 million	-$50 million
• Federal Grant "Money Follows Person"	-$5 million	-$10 million
• Adjustment for Large Residential Facilities—federal funds	--	-$1.7 million
• Use of Home and Community-Based Waiver—RC Operations	--	-$3 million
Subtotal of Alternative Funds & Fund Shifts:	**-$125.0 million**	**-$137.7 million**
2. Expenditures Reductions and Cost Containment		
• Reduce Prevention Program	--	-$8.0 million
• Reduce Developmental Centers—various actions	--	-$39.5 million
• Reduce Agnews Community Placement Staff—facility closed	--	-$1.5 million
• 4.25 Percent Regional Center Operations & Provider Reduction	-$91.5 million	-$91.5 million
• Trailer Bill Package on Accountability and Transparency	-$109.7 million	-$109.7 million
• Conforming Action to Medi-Cal (related to hard caps and copayments)	Augments $33 m In base	-$15 million
• Unspecified Cost Containment and Statewide Purchase of Services Standards	-$423.8 million	-$174 million
TOTAL GENERAL FUND & OTHER FUNDS REDUCTION	**-$750 million**	**-$576.9 million**

To implement these proposals, the Legislature modified Trailer Bill Language proposed by the Administration, which was adopted in Senate Bill 74. The bill includes:

- The process and parameters for Purchase of Services Best Practices. Language outlines the process and parameters for the Department of Developmental Services (DDS) to develop purchase of service best practices, including the use of eight subject workgroups. Language specified that best practice proposal shall not endanger the health and safety of consumers or compromise the State's ability to meet its commitment for federal funding. Proposal must be submitted in a report by no later than May 15, 2011 for Legislative approval.

- Increases Regional Center accountability and transparency.
    - Requires Regional Center Boards to adopt written policies to review and approve any contracts of $250,000 or more, before entering into the contract.
    - Adopts the federal requirement, which declares certain individuals or entities ineligible to be Regional Center vendors.
    - Requires Regional Centers must maintain and post specified information on their Internet Web site.
    - Requires the Department of Social Services and Department of Public Health to notify the DDS of any administrative action initiated against a licensee serving consumers with developmental disabilities.
    - Restricts for the 2011-12 fiscal year and subsequent years, Regional Center audits to be conducted by the same accounting firm more than five times in every 10 year period. Additionally, it specifies that an entity receiving payments in more than or equal to $250,000 but less than $500,000 from one or more Regional Centers shall contract with an independent accounting firm for an audit or review of its financial statements. When the amount exceeds $500,000 the entity shall obtain an independent audit.
    - Provides the Department of Developmental Services and Regional Centers the authority to institute legal proceedings against a Third Party payer, as a result of an injury in which the Third Party payer is liable. Recovery of reasonable value for services provided is similar to Third Party payer language contained within the Medi-Cal Program administered by Department of Health Care Services.
    - Requires the department to adopt emergency and other regulations to establish standard conflict-of-interest reporting requirements regarding Regional Center board members, directors, and identified employees.
    - Requires all Regional Center contracts or agreements with service providers in which rates are determined through negotiations between the Regional Center and the Service Provider, to expressly require that not more than 15 percent of Regional Center funds be spend on administrative cost. It also specifies that direct service expenditures are those costs immediately associated with the services to consumers being

offered by the provider. Similarly, it requires that all contracts between the Department and Regional Centers spend no more than 15 percent of all funds appropriated through the Regional Center's operations budget on administrative costs.

- Regional Center Operations and Provider Payment Reductions. Makes the appropriate date changes to extend the 4.25 percent reduction to Regional Center Operations and Purchase of Service Payments, applicable until June 30, 2012.

Process Overview. To develop the proposals to achieve the $174 million GF reduction, the Department of Developmental Services worked with a statewide survey initially. In addition over 9,000 letter and emails were received before commencing work with the eight subject area workgroups –Behavioral Services; Day Program, Supported Employment, and Work Activity Program Services; Early Start Services; Health Care and Therapeutic Services; Independent Living and Supported Living Services; Residential Services; Respite and Other Family Supports; and Transportation Services. Sixteen workgroup meetings were held throughout March and April 2011, totaling over 70 hours of discussion with stakeholders.

Since the end of the workgroups, the Department has held three public forums –Los Angeles, Oakland and Sacramento –to receive feedback on their draft of 13 proposals – to achieve a $79.1 million General Fund savings, through purchase of service best practices.

Final Proposal. The Legislatures proposal left a $174 million in General Fund reduction to be achieved through Purchase of Service best practices. In developing the proposals, the department considered: eligibility, duration, frequency, efficacy, community integration, service provider qualifications and performance, rates, parental and consumer responsibilities, and self-directed options.

The Departments preliminary proposal identifies $55.6 million GF available in FY 2011-12 from expenditure savings, $30 million of one-time savings in the current year from delays of the various proposals, and $39.3 million associated with contract savings administered by the Department. After accounting for these proposed reductions (totaling $124.9 million), only $79.1 million remain to be achieved through other proposals.

With the input from the community and guidance from the workgroups, the Department developed 13 best practice proposals to achieve the $79.1 million GF reduction. These proposals are summarized in the table below.

	2011-12		Annual	
	TF	GF	TF	GF
Reduced Expenditure Savings that Allow Reduction in Savings Required through Proposals	**$ 55,603,000**	**$ 55,603,000**	**$ 55,603,000**	**$ 55,603,000**
1. Increasing Federal Funding for Regional Center Purchased Consumer Services	**$ -**	**$ 20,932,000**	**$ -**	**$ 22,515,000**
● Add Voucher - Nursing Services to the HCBS Waiver	$ -	$ 528,000	$ -	$ 528,000
● Money Follows the Person for Residents of Institutional Settings	$ -	$ 1,881,000	$ -	$ 3,464,000
● Enhanced Funding from 1915(k) Medicaid State Plan	$ -	$ 1,200,000	$ -	$ 1,200,000
● Obtain Federal Funding for Infant Development Program	$ -	$ 13,223,000	$ -	$ 13,223,000
● 1915(i) New Expenditures	$ -	$ 4,100,000	$ -	$ 4,100,000
2. Decreasing Department of Developmental Services Headquarters Contracts	**$ 2,015,000**	**$ 1,754,000**	**$ 2,015,000**	**$ 1,754,000**
● Information Technology	$ 545,000	$ 545,000	$ 545,000	$ 545,000
● Clients' Rights Advocacy	$ 250,000	$ 200,000	$ 250,000	$ 200,000
● Quality Assessment	$ 530,000	$ 424,000	$ 530,000	$ 424,000
● Direct Support Professional Training	$ 140,000	$ 85,000	$ 140,000	$ 85,000
● Office of Administrative Hearings	$ 250,000	$ 200,000	$ 250,000	$ 200,000
● Risk Management	$ 100,000	$ 100,000	$ 100,000	$ 100,000
● Self Directed Services Training	$ 200,000	$ 200,000	$ 200,000	$ 200,000
3. Reduction and Efficiency in Regional Center Operations Funding	**$ 14,565,000**	**$ 14,132,000**	**$ 15,881,000**	**$ 15,015,000**
● Self Directed Services Waiver Reduced Staffing	$ 861,000	$ 861,000	$ 861,000	$ 861,000
● Community Placement Plan Reduced Staffing	$ 315,000	$ 315,000	$ 315,000	$ 315,000
● Roll Back of Prior Year Staffing Increase	$ 1,902,000	$ 1,902,000	$ 1,902,000	$ 1,902,000
● Reduced Accelerated Waiver Enrollment Funding	$ 1,771,000	$ 1,771,000	$ 1,771,000	$ 1,771,000
● Administrative Efficiency - Electronic Billing Process to All Providers	$ 1,316,000	$ 883,000	$ 2,632,000	$ 1,766,000
● Eliminate One-Time Costs for Office Relocations and Modifications	$ 3,000,000	$ 3,000,000	$ 3,000,000	$ 3,000,000
● Unallocated Reduction	$ 5,400,000	$ 5,400,000	$ 5,400,000	$ 5,400,000
Proposals Associated with Purchase of Consumer Services	**$ 70,741,000**	**$ 53,115,000**	**$ 106,712,000**	**$ 79,137,000**
4. Community Placement Plan Funding	**$ 9,685,000**	**$ 6,966,000**	**$ 9,685,000**	**$ 6,966,000**
5. Rate Equity and Negotiated Rate Control	**$ 4,626,000**	**$ 3,432,000**	**$ 13,026,000**	**$ 9,568,000**
6. Annual Family Program Fee	**$ 3,600,000**	**$ 3,600,000**	**$ 7,200,000**	**$ 7,200,000**
7. Maintaining the Consumer's Home of Choice - Mixed Payment Rates in Residential Facilities with Alternative Residential Model (ARM) Rates	**$ 2,255,000**	**$ 1,364,000**	**$ 4,176,000**	**$ 2,526,000**
8. Maximize Utilization of Generic Resources - Education Services	**$ 13,696,000**	**$ 10,236,000**	**$ 18,188,000**	**$ 13,593,000**
9. Supported Living Services: Maximize Resources	**$ 9,948,000**	**$ 5,461,000**	**$ 19,896,000**	**$ 10,924,000**
10. Individual Choice Day Services	**$ 12,839,000**	**$ 9,629,000**	**$ 16,477,000**	**$ 12,358,000**
11. Maximizing Resources for Behavioral Services	**$ 5,119,000**	**$ 3,852,000**	**$ 5,119,000**	**$ 3,852,000**
12. Transfer Reduced Scope Prevention Program to the Family Resource Centers	**$ 7,500,000**	**$ 7,500,000**	**$ 10,000,000**	**$ 10,000,000**
13. Enhancing Community Integration and Participation - Development of Transportation Access Plans	**$ 1,473,000**	**$ 1,075,000**	**$ 2,945,000**	**$ 2,150,000**
Total Reductions	**$ 142,924,000**	**$ 145,536,000**	**$ 180,211,000**	**$ 174,024,000**

Details on the **thirteen best practices** proposals are as follows:

1. **Increased Federal Funding for Regional Center Purchased Consumer Services** ($21 million GF in 2011-12).

   The DDS assumes new funding options through the Federal 1915 (k) Community Living Options, which becomes available to states in October 2011. The DDS will also expand receipt of federal funding through the Department's Home and Community-based Waiver, the 1915(i) SPA, and the Federal Money Follows the Person (MFP) Grant. Workgroup members also recommended consumers and families provide a copy of their Medi-Cal, Medicare, and insurance cards at the time of the IPP to ensure federal and other resources are maximized. Language will be necessary to require submittal of benefit cards, which will act as a cost avoidance.

   This proposal assumes more federal funding in the Department's budget by adding Voucher – Nursing Services to the Waiver ($0.5 million GF), claiming federal money at an enhanced federal match for the first 12 months of services under the MFP Grant for consumers moving from intermediate care ($1.9 m GF in 2011-12), nursing and sub-acute facilities to integrated community living arrangements, capturing an additional 6 percent of federal funding for 12 months under the 1915 (k) option for eligible consumer services (if such services are added to the State Medicaid Plan) ($1.2 m GF), receiving federal matching funds for the purchase of infant development programs for Early Start consumers with Medi-Cal ($13.2 m GF) and obtaining additional federal funding based on updated expenditures for the 1915 (i) SPA ($4.1 million).

   Changes to the 1915 (k) and Early Start infant development programs will require approval from the federal government.

   Trailer Bill Language (A). Language requires that at the time of assessment the parent, legal guardian, or conservator, will provide copies of any health benefit cards under which the consumer is eligible to receive health benefits, including, but not limited to private health insurance, health care service plan, Medi-Cal, Medicare, and TRICARE. However, if the individual, or where appropriate, the parents, legal guardians, or conservators, have no such benefits, the regional center shall not use that fact to negatively impact services that the individual may or may not receive from the regional center.

2. **Decreasing Department of Developmental Services Headquarters Contracts** ($2 million total funds (TF)/$1.8 million GF in 2011-12).

   The Department contracts with a number of organizations to implement programs and projects that provide support, services, and technical assistance across all Regional Centers. In addition to 2011-12 statewide reduction to headquarters, the Department proposes to reduce six contracts and discontinue two nonmission critical projects, without requiring statutory changes. These contracts are driven by caseload, which will go unfunded, and most are needed to receive federal funds.

Information Technology: The Department's contract with the state-operated data center for support of data systems and data processing will be reduced from $4,517,000 to $3,972,000, consistent with a similar reduction made in the current year due to operational efficiencies. This proposal will save $545,000 GF.

Clients' Rights Advocacy: The Department's contract with Disability Rights California to provide consultation, representation, training, investigation, and compliance with clients' rights. Funding will be held at the current year funding level of $5.295 million, for a savings of $250,000 ($200,000 GF).

Quality Assessment: The Department contracts with independent organizations to conduct surveys and analyses of consumers and family members about satisfaction with services and personal outcomes. This project will be reduced to $3.235 million. This proposal will save $530,000 ($424,000 GF).

Direct Support Professional Training (DSPT): The Department contracts with the California Department of Education to administer the DSPT training and testing through the Regional Occupational Programs. This contract will be reduced from $3.582 million to $3.442 million. This reduction will not affect the Department's ability to schedule DSPT trainings at Lanterman Developmental Center for staff that choose to work in the community. This proposal will save $140,000 ($85,000 GF).

Office of Administrative Hearings: The Department contracts with the Office of Administrative Hearings to conduct fair hearings required by the Lanterman Act and mediation and fair hearing services required by the California Early Intervention Services Act. The current year level of funding, $3.15 million, will be maintained without affecting the rights of consumers and families to the fair hearing and mediation processes. This proposal will save $250,000 ($200,000 GF).

Special Incident Reporting/Risk Management: In order to maintain and increase Federal Home and Community-Based Services Waiver funding, the Department contracts with an independent entity to conduct data analysis, training, site reviews, and provides data, training, and analytical services that mitigate and reduce special incidents. The Department will prioritize the work of this contractor such that federal concerns are addressed while achieving savings. This contract will be reduced from $940,000 to $840,000 and achieve savings of $100,000 GF.

Self-Directed Services - Training and Development: The Department will reprioritize existing resources to develop and conduct the anticipated training associated with the Self-Directed Services Waiver, if and when it is approved by the federal government (submitted in 2008). The proposal will save $200,000 GF.

3. **Reductions and Efficiency in Regional Center Operations Funding** ($14.6 million TF/$14.1 million GF in 2011-12).

The workgroup participants called for reductions to regional center operations as a component of the Department's reduction proposals. This proposal achieves the reductions as follows:

• Self Directed Services Waiver Reduced Staffing ($0.9 million GF) that are a part of the May Revision
• Community Placement Plan Reduced Staffing ($0.3 million GF)
• Roll Back of Prior Year Staffing Increase ($1.9 million GF) as a part of the May Revision
• Reduced Accelerated Waiver Enrollment Funding ($1.8 million GF)
• Administrative Efficiency - Electronic Billing Process to All Providers and changing Core Staffing allocation for Account Clerks from 1:600 to 1:800 consumers based on efficiency.
• Eliminate Costs for Office Relocations and Modifications ($3.0 million GF). This is the remaining amount of funds earmarked for one-time relocation costs and modifications.
• Unallocated Reduction ($5.4 million GF)

This proposal will be effective upon approval of the Legislature. Legislation will be needed to implement the electronic billing administrative efficiencies.

Trailer Bill Language (B). Language is added to transition providers of early intervention providers on or after July 1, 2012 and all other regional center effective July 1, 2011 to an e-billing System web application.

4. **Community Placement Plan Funding** ($9.7 million TF/ $7 million GF in 2011-12).

The law establishes a Community Placement Plan (CPP) process designed to assist regional centers in providing the necessary services and supports for individuals to move from developmental centers. Under the CPP process, each regional center develops and submits an annual CPP to the Department based on the needed resources, services, and supports for consumers moving from a developmental center, as well as the resources needed to prevent developmental center admission.

As part of the planning process, regional centers must forecast the dates consumers will move into the community as well as when community resources will come on line. Consequently, the Department and each regional center are continuously harmonizing the amount of funds needed to implement the CPP. The Department has conducted an extensive analysis of the funds budgeted, allocated, and expended and has determined that CPP can be reduced by $10 million ($7.3 million GF) by funding CPP closer to the amount actually needed in the current and immediately prior FYs. Of this amount, $315,000 is reflected in the proposal to reduce regional center operations funding.

This reduction will not impact the Department and regional center efforts to facilitate consumers moving from a developmental center.

5. **Rate Equity and Negotiated Rate Control** ($5 million TF/ $3.4 million GF in 2011-12).

The rate setting methodologies for services funded by regional centers are specified in law. These methodologies include: negotiations resulting in a rate that does not exceed the regional center's median rate for that service, or the statewide median, whichever is lower, and the provider's usual and customary rate (U&C), which means the rate they charge the members of the general public to whom they are providing services. A 4.25 percent payment reduction to regional center funded services went into effect July 1, 2010 (a 3 percent reduction was previously in effect commencing February 2009), but did not apply to service providers with a U&C rate. The intent of the U&C exemption was for businesses that serve the general public without specialty in services for persons with developmental disabilities.

This proposal clarifies that the exemption to the 4.25 percent payment reductions does not apply to providers specializing in services to persons with developmental disabilities. This proposal also calls for the Department to update the calculation of the regional center and statewide median rates, established as part of the 2008-09 budget reductions, applicable to new vendors providing services for which rates are set through negotiation. The proposal only impacts providers who were not previously impacted by the 4.25 percent payment reduction and new providers of negotiated rate services.

Trailer Bill Language (C). Language clarifies 4.25 percent language that exempted usual and customary payments by listing services that are not exempted from this reduction.

6. **Annual Family Program Fee** ($3.6 million TF/$3.6 million GF in 2011-12).

   An annual family program fee in the amount of $150 or $200, depending on family income, will be assessed for families of consumers receiving services from the regional centers who meet the following criteria:

   - The child is under age 18.
   - The child lives at home.
   - The child is not eligible for Medi-Cal.
   - The family's income is at or above 400 percent of the Federal Poverty Level (FPL) based upon family size.
   - The child or family receives services beyond eligibility determination, needs assessment, and case management.

   Families of consumers who **only** receive respite, day care, and/or camping services are also excluded under the Annual Family Program Fee if assessed separately in the Family Cost Participation Program (FCPP). It is estimated that there will be 35,000 families eligible for the Annual Family Program Fee. There will be an exemption process outlined in statute for families with special circumstances. The annual family program fee will be assessed by regional centers at the time of the development of the IPP/IFSP, and annually thereafter. Legislation will be required for implementation and federal approval may be required for consumers in the Early Start Program.

   Trailer Bill Language (D). Language is added to implement effective July 1, 2011 an annual family program fee for consumers that meet the requirements above. The family program fee will occur at the time of the development, scheduled review, or modification of the individual program plan (IPP) or the individualized family services plan (IFSP), but no later than June 30, 2012. Language also specifies the process by which fees are collect, to be deposited into the General Fund. Exemption from the fee is also included in the language for families. Exemptions include; the necessity to maintain the child in the family home, extraordinary events, and catastrophic loss. Lastly, the language clearly states that no services shall be delayed or denied for any consumer or child based upon the lack of payment of the annual family program fee.

7. **Maintaining the Consumer's Home of Choice –Mixed Payment Rates in Residential Facilities with alternative Residential Model (ARM) Rates** ($2.3 million TF/$1.4 million GF in 2011-12).

   Rather than a consumer having to leave their preferred residential living arrangement because their service and support needs have changed, this proposal allows for regional center payment of a lower rate that meets the needs of the individual while leaving intact the higher level of services and support for the other individuals residing in that home and the facility's ARM service level designation.

Current regulations for ARM facilities (Title 17, Section 56902) allow regional centers to negotiate a level of payment for its consumers that is lower than the vendored rate established by the Department (ARM rate). However, the vendor must still provide the same level of service (i.e. staffing ratios and hours, and consultant services) for which they are vendored. This proposal would allow, pursuant to the consumer's IPP, and a contract between the regional center and residential provider, a lower payment rate for a consumer whose needs have changed but wants to maintain their residency in the home, without impacting the facility's ARM service level designation.

This estimate assumes approximately 450 consumers residing in service level 4 ARM facilities that are determined through their IPP to no longer need the level of service provided by that facility through its assessed rate, but want to remain in their home. To resolve this, a lower level of payment (within the existing ARM rate structure) would be negotiated and established in contract. A change in the level of residential services would be done through the IPP process, and subsequently through a contract between the regional center and residential service provider.

Trailer Bill Language (E). Language is added to allow regional centers to enter in contracts with residential service providers for a consumer's needed services at a lower level of payment and staffing without adjusting the facility's approved service level.

8. **Maximize Utilization of Generic Resources –Education Services** ($13.7 million TF/$10.2 million GF in 2011-12).

Publicly funded school services are available to regional center consumers until age 22. The Education Code lists services provided by the school system, including orientation and mobility services, school transition services, specialized driver training instruction, specifically designed vocational education and career development, and transportation. For consumers who remain eligible for services through the public school system, this proposal requires the regional centers to use the generic education resources in lieu of purchasing day program, work/employment, independent living, and associated transportation services on their behalf. Regional centers may encourage schools to use existing vendors to meet consumer needs.

Trailer Bill Language (F). Language is added to direct regional centers to pursue special education and related education services, for consumers who have not received a diploma or certificate of completion and when their Individual Planning Team determines that the consumers' needs can be met by the educational system. Exemptions will be granted through the IPP. The language exempts consumers when their needs cannot be addressed through education services –for day, vocational education, work and independent living, or mobility and related transportation needs.

Staff Comment: There is a legitimate concern for the need to address dispute resolution between the Regional Center and the Education Department within the language.

9. **Supported Living Services: Maximizing Resources** ($10 million TF/$5.5 million GF in 2011-12).

Supported Living Services (SLS) is a community living option that supports adult consumers who choose to live in homes they control through ownership, lease, or rental agreement. In supported living, a consumer pays for living expenses (e.g. rent, utilities, food, and entertainment) out of Social Security Income, work earnings or other personal resources. The regional center pays the vendor to provide the SLS.

To maximize regional center funded services while maintaining the individualized nature of SLS, this proposal would, similar to what is done in IHSS, require regional centers to assess during IPP meetings whether there are tasks that can be shared by consumers who live with roommates. Secondly, to minimize the possibility of ‘over’ supporting a person, an independent needs assessment will be required for all consumers who have SLS costs that exceed the statewide or regional center mean, whichever is lower. The assessment would be completed by an entity other than the SLS agency providing service and be used during IPP meetings to determine the services provided are necessary and sufficient and that the most cost effective methods of service are utilized.

Trailer Bill Language (G). Language is amended to allow for consumers receiving supported living services who share a household with one or more adult(s) receiving supported living services, for efficiencies in service to be shared as long as each person’s individual needs are met. Such tasks shall only be shared to the extent they are permitted under the California Labor Code and related regulations. The planning team, "at the time of development, review or modification of a consumer’s individual program plan (IPP), for housemates currently in a supported living arrangement or planning to move together into a supported living arrangement, or for consumers who live with a housemate not receiving supported living services who is responsible for the task, shall consider, with input from the service provider, whether any tasks, such as meal preparation and clean up, menu planning, laundry, shopping, general household tasks, or errands can appropriately be shared. If tasks can be shared, the regional center shall purchase the prorated share of the activity. Upon a determination of a reduction in services pursuant to this section, the regional center shall inform the consumer of the reason for the determination, and shall provide a written notice of fair hearing rights."

Additionally, a supported living independent assessment is required to provide an additional look at whether the supported living service being provided, or being proposed, are necessary, sufficient and/or cost-effective to meet the person's choices and needs as determined by the comprehensive assessment and planning team. Language also protects consumers from being excluded or no longer eligible for supported living services based solely on an independent assessment.

Staff Comment: The language allows for "shared tasks" to be pursued as a cost savings and implements an independent assessment to ensure that consumer's needs are being met. The budget includes cost of the additional independent assessment and assumes the number of consumers to be assessed based on the annual statewide average (mean). Concerns over the purpose and outcome of the independent assessment have been raised.

10. Individual Choice Day Services ($12.8 million TF/$10 million GF in 2011-12).

To address the workgroups and community concern about the importance of consumers having alternative choices to traditional day programs in its development of the FY 2011-12 proposals, this proposal deals with the barriers expressed by providers in implementing the FY 2009-10 proposals.

Tailored Day Program Service Option (TDS) is designed to meet the needs of consumers who choose a program focused on their individualized needs and interest to develop or maintain employment and/or volunteer activities. In this option, a consumer can choose to attend fewer program days or choose the hours of participation. The consumer can also choose how to participate in the program. Through the IPP process, the consumer, vendor, and regional center can create a program tailored to the consumer’s needs. Once the type and amount of service desired by the consumer is determined, the regional center and vendor can negotiate the appropriate hourly or daily rate. Vendors will have service designs to meet the needs of the consumers. Staffing may be adjusted but must meet all health and safety requirements for the consumer and meet the consumer’s tailored needs. The TDS is in lieu of any other day program service. TDS will replace the Senior and CEO Options currently in statute.

Vouchered Community-Based Training Service Option (VCTS) is designed for consumers and/or parents who choose to directly hire a support worker to develop functional skills to achieve community integration, employment, or participation in volunteer activities. A Financial Management Services entity will be available to assist the consumer and/or parent in payroll activities. Consumers who choose this option will have up to 150 hours of services each quarter. The VCTS is in lieu of any other day program service.

Modified Full and Half-Day Program Attendance Billing ensures maximization of existing resources and addresses concerns of residential providers. The proposal would modify the current billing for day programs that bill a daily rate to be consistent with the Work Activity Program (WAP) full and half-day billing requirements. WAP billing requires a minimum of two hours attendance and provides for half-day billing. Currently, California regulations governing the provision of day programs are silent on what constitutes a full or half-day for billing purposes. Programs could shorten their service day to less than four hours and still receive payment for a full day. This proposal would ensure the consumer is receiving the level of services purchased. This requirement will not apply to TDS or VCTS services.

Implementation of the TDS and VCTS options will be individualized and phased in through the IPP process.

Trailer Bill Language (H). Language is amended to eliminate the Senior and CEO programs, which were a part of the 2009-10 budget cost savings proposals. Elimination is proposed because the programs did not achieve their intended savings. Language adds the tailored day services, but requires that it be IPP driven. Also included, is the full day or half attendance modifications for daily rate services provided to consumers.

11. Maximizing Resources for Behavioral Services ($5.1 million TF/$3.9 million GF in 2011-12).

Behavioral Services are services that provide instruction and environmental modifications to promote positive behaviors and reduce behaviors that interfere with learning and social interaction. These include designing, implementing and evaluating teaching methods, consultation with specialists, and behavioral interventions; and training for consumers and/or parents on the use of behavioral intervention techniques and home-based behavioral intervention programs. Department regulations establish the qualifications for the various professionals delivering these services.

This proposal would require parents to verify receipt of Behavioral Services provided to their child –to reduce the unintended occurrence of incorrect billings. This proposal would also authorize the Department to promulgate emergency regulations to establish a new service to allow regional centers to contract with paraprofessionals, with certain educational or experiential qualifications and acting under professional supervision, to provide behavioral intervention services. Statutory changes will be required to implement the parental verification and development of regulations to add the paraprofessional services is necessary.

Trailer Bill Language (I). Language is added to require parent verification for receipt of services, and allow the use of paraprofessionals in group practice provider behavioral intervention services, and a new rate. Effective July 1, 2011 the Department will develop and post a standard form for vendors to complete and provide to the family for signature. Language specifies that the failure of the parents or legally appointed guardians of a minor consumer shall not be a basis for terminating or changing behavioral services to the minor consumer. Any changes to behavioral services shall be made by the consumer's IPP team. The department will adopt emergency regulations to address the qualifications and professional supervision requirements necessary for paraprofessionals to provide behavioral intervention services.

12. **Transfer Reduced Scope Prevention Program to the Family Resource Centers** ($7.5 million GF in 2011-12).

The Prevention Program was established on October 1, 2009 after changes in eligibility to achieve savings in the Early Start Program in the 2009-10 Budget. The Prevention Program provides services in the form of intake, assessment, case management, and referral to generic agencies for those infants and toddlers, 0 to 2 years of age, who are not eligible for Early Start services but who are at risk for developmental delay. In FY 2010-11, $18,150,000 of GF was allocated. The Prevention Program is currently budgeted at $12 million for FY 2011-12.

This proposal would decrease the required functions of the Prevention Program to information, resource, outreach, and referral; transfer responsibility for these functions to Family Resource Centers (FRC); and reduce funding to $4.5 million in FY 2011-12 and $2 million in FY 2012-13. Since approximately 3,200 children remain in the Prevention Program, this proposal assumes $2.5 million for regional centers to complete services to the existing caseload and $2 million for FRCs to serve new referrals.

Beginning July 1, 2012, the program would be completely transferred to the FRCs through a contract between the Department and the Family Resource Center Network of California, or a similar entity. Regional centers will continue to provide all infants and toddlers with intake, assessment, and evaluation for the Early Start Program. Infants and toddlers ineligible for the Early Start Program would be referred to the FRCs. Statutory changes are necessary.

Trailer Bill Language (J). Language amends statute to specify that babies identified as being "at-risk" who are in the prevention program as of June 30, 2011, shall continue in the prevention program until the child reaches the age of 36 months, the regional center has determined the child is eligible for services under the California Early Intervention Program pursuant to Title 14, or June 30, 2012, whichever date is earlier. Language also phases out the prevention program by July 1, 2012. Lastly, language is added to allow the State

Department of Developmental Services to contract with an organization representing one or more family resource centers which receive federal funds from Part C of the Individuals with Disabilities Education Act to provide outreach, information and referral services to generic agencies for children under 36 months of age who are otherwise not eligible for the California Early Intervention Program pursuant to Title.

Staff Comment: There is concern with the tracking and assessment overtime of at-risk babies and the future impacts. The Department notes that all babies will still be reviewed and assessed by a Regional Center, and if they do not qualify for Early Start then they will be referred to the Family Resource Centers.

To address this concern, the Subcommittee may wish to adopt **Supplemental Reporting Language (SRL)** to have the Department report to the Legislature on the implementation of the transfer of services from the Prevention Program to the Family Resource Centers. The report may include: an assessment of the Family Resource Center's ability to provide information, resources, outreach and referral and to monitor and make referrals to the Regional Center for reassessment; caseload trends in the Early Start Program beginning one year prior to the establishment of the Prevention Program; numbers of children screened but not referred to the Early Start Programs; and an assessment of any disparities or disparities based on race, ethnicity, or geography.

13. **Enhancing Community Integration and Participation –Development of Transportation Access Plans** ($1.5 million TF/$1.1 million GF in 2011-12).

Current law provides that regional centers will not fund private, specialized transportation services for an adult consumer who can safely access and utilize public transportation when that transportation modality is available and will purchase the least expensive transportation modality that meets a consumer's needs as set forth in the IPP/IFSP. To maximize consumer community integration and participation and to address barriers to the most integrated transportation services, a transportation access plan would be developed at the time of the IPP, for consumers for whom the regional center is purchasing specialized transportation services or vendored transportation services from the consumer's day, residential or other provider receiving regional center funding to transport the consumer to and from day programs, work and/or day activities.

The plan would address the services needed to assist the consumer in developing skills to access the most inclusive transportation option that can meet the consumer's needs. In addition to the statutory provision above regarding the funding of private, specialized transportation services, the law specifies that the regional centers may now only fund transportation for a minor child living in the family residence if the family provides sufficient written documentation to demonstrate that it is unable to provide transportation for the child.

Trailer Bill Language (K). Language is amended to implement the review of transportation needs of a consumer through a transportation access plan. Changes to the consumer's transportation needs will be completed through the IPP and will address a consumer's community integration and participation through the use of public transportation services. The planning team will consider safety, availability, accessibility, and future services and supports –which include mobility training services and transportation aides.

○ REGIONAL CENTER COST CONTAINMENT ADJUSTMENTS

Governor's May Revision. The Governor's May Revision requests that Schedule (2) of Item 4300-101-0001 be increased by $28,464,000 to reflect savings achieved in 2010-11 as part of the 2011-12 $174.0 million purchase of services cost containment measure.

Staff Comment. The May Revision makes several changes associated with the $174 million reduction. Specifically, it accounts for $55.6 million GF savings due to expenditure, caseload and utilization changes; $118.4 million in GF savings from the cost containment proposals presented in issue 3 of Items to Hear on this agenda; $1.5 million GF in FFP for the proposals and lastly, $28.5 million GF from current year savings to cover one-time erosions associated with implementation lags for the proposals identified.

Action on this issue conforms to should conform to action taken on Issue 3, since this is a part of the proposal to achieve the $174 million reduction.

PANEL 1

- Department of Developmental Services – Please present your final proposal to achieve the $174 million GF reduction and trailer bill language.
- Department of Finance
- Legislative Analyst’s Office

PANEL 2

- Evelyn Abouhassan, Disability Rights California
- Bob Baldo, Association of Regional Center Agencies
- Connie Lapin, Parent and Advocate
- Fran Chasen, Infant Development Association of California
- Carol McKinney, California Supported Living Network
- Marty Omoto, California Disability Community Action Network

PUBLIC COMMENT