

AGENDA – PART I**ASSEMBLY BUDGET SUBCOMMITTEE NO. 1****HEALTH AND HUMAN SERVICES****ASSEMBLYMEMBER TONY THURMOND, CHAIR****TUESDAY, MAY 24, 2016****1:30 P.M. - STATE CAPITOL ROOM, 444**

VOTE-ONLY		
ITEM	DESCRIPTION	
5160	DEPARTMENT OF REHABILITATION	
ISSUE 1	SUPPORTED EMPLOYMENT RATE INCREASE	3
ISSUE 2	RESOURCES FOR FEDERAL VOCATIONAL REHABILITATION GRANT REPORTING	3
ISSUE 3	SUPPLEMENTAL FUNDING FOR TRAUMATIC BRAIN INJURY FUND	4
ISSUE 4	WORKFORCE INNOVATION AND OPPORTUNITY ACT: COMPETITIVE INTEGRATED EMPLOYMENT	4
ISSUE 5	STATE-BASED FUNDING PARITY FOR INDEPENDENT LIVING CENTERS	4
4300	DEPARTMENT OF DEVELOPMENTAL SERVICES	
ISSUE 6	HEADQUARTERS RESOURCES FOR DC CLOSURE ACTIVITIES	6
ISSUE 7	FISCAL AND PROGRAM RESEARCH UNIT	6
ISSUE 8	HEADQUARTERS HOME AND COMMUNITY-BASED SERVICES (HCBS) FEDERAL REGULATIONS	6
ISSUE 9	INCREASED VENDOR AUDIT COVERAGE	7
ISSUE 10	PORTERVILLE DEVELOPMENTAL CENTER – UPGRADE FIRE ALARM SYSTEM	7
ISSUE 11	CASELOAD AND UTILIZATION ADJUSTMENTS	7
ISSUE 12	HOME AND COMMUNITY-BASED SERVICES, NEW REGULATIONS WORKLOAD	8
ISSUE 13	CONSUMER PROGRAM COORDINATORS TO IMPROVE CASELOAD RATIOS	8

ISSUE 14	FOUR-BED ALTERNATIVE RESIDENTIAL MODEL HOMES	9
ISSUE 15	SB 3 (LENO), CHAPTER 4, STATUTES OF 2016 – MINIMUM WAGE INCREASE	9
ISSUE 16	SB 3 (LENO), CHAPTER 4, STATUTES OF 2016 – TRAILER BILL LANGUAGE	10
ISSUE 17	FAIR LABOR STANDARDS ACT IMPLEMENTATION	10
ISSUE 18	AB 1522 (GONZALEZ), CHAPTER 317, STATUTES OF 2014 – PAID SICK LEAVE	10
ISSUE 19	BEHAVIORAL HEALTH TREATMENT (BHT)	11
ISSUE 20	REPEAL EARLY START PREVENTION RESOURCES AND REFERRAL SERVICES PROGRAM STATUTE	11
ISSUE 21	HCBS INTENT LANGUAGE	11
ISSUE 22	EMPLOYEE COMPENSATION AND STAFF BENEFIT CONTRIBUTIONS	12
ISSUE 23	DEVELOPMENTAL CENTER STAFFING ADJUSTMENTS	12
ISSUE 24	SONOMA DEVELOPMENTAL CENTER PRELIMINARY ADVANCED CLOSURE COSTS	12
ISSUE 25	OFFICE OF PROTECTIVE SERVICES RECORD MANAGEMENT SYSTEM	13
ISSUE 26	DEVELOPMENTAL CENTERS WORKERS' COMPENSATION CASES	13
ISSUE 27	PERSONAL ALARM LOCATING SYSTEM AT PORTERVILLE DEVELOPMENTAL CENTER	13
ISSUE 28	DEVELOPMENTAL CENTER AUDIT FINDINGS	14
ISSUE 29	ACUTE CRISIS UNIT AT SONOMA DEVELOPMENTAL CENTER	14
ISSUE 30	KEY STAFF FUNCTIONS TO BE CENTRALIZED AT HEADQUARTERS	14
ISSUE 31	COMMUNITY PLACEMENT PLAN FUNDING FOR THE DEVELOPMENT OF COMMUNITY RESOURCES	15
ISSUE 32	INDEPENDENT MONITORING CONTRACT FOR FAIRVIEW AND PORTERVILLE DEVELOPMENTAL CENTERS	15
ISSUE 33	PROVISIONAL LANGUAGE: RETENTION STIPENDS FOR DEVELOPMENTAL CENTER STAFF	15
ISSUE 34	EXEMPTION FROM PUBLIC CONTRACT CODE TO BECOME A REGIONAL CENTER VENDOR	16
ISSUE 35	SPECIAL MANAGED CARE PROVISIONS FOR DEVELOPMENTAL CENTER	16

	CLOSURES	
ISSUE 36	DEFERRED MAINTENANCE	16
ISSUE 37	SPRING FINANCE LETTER: SONOMA DEVELOPMENTAL CENTER ASSESSMENT	17
ISSUE 38	HEADQUARTERS RESOURCES FOR IMPLEMENTATION OF ABX2 1	17
ISSUE 39	ABX2 1 CLEAN-UP TRAILER BILL LANGUAGE	17
ISSUE 40	ADDITIONAL PLACEHOLDER TRAILER BILL LANGUAGE	18

VOTE-ONLY ITEMS

5160 DEPARTMENT OF REHABILITATION

ISSUE 1: SUPPORTED EMPLOYMENT RATE INCREASE

This proposal requests an increase of \$500,000 in order to fund the supported employment provider hourly rate consistent with the provisions of Chapter 3, Statutes of 2016, Second Extraordinary Session (ABX2 1). ABX2 1 required the Department of Developmental Services to increase the supported employment hourly rate by \$3.42. To avoid disparity and competition among service providers, an identical rate increase is necessary for supported employment providers serving Department of Rehabilitation consumers.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Approve as Budgeted.

ISSUE 2: RESOURCES FOR FEDERAL VOCATIONAL REHABILITATION GRANT REPORTING

DOR requests redirection of \$653,000 in existing Federal Funds in order to address the increased mandated workload in accounting, budgeting, information systems, federal reporting and oversight of federal grants. The Department notes that lack of compliance with the new federal mandates could result in enforcement action and loss of federal funds, which would impair DOR's ability to provide quality, effective services to Californians with disabilities.

This request is in alignment with recent decisions by the U.S. Department of Education and WIOA. The requested positions and funding will provide DOR the resources necessary to fulfill the increased workload associated with the new mandates.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 3: SUPPLEMENTAL FUNDING FOR TRAUMATIC BRAIN INJURY FUND

DOR requests authority to redirect \$360,000 to the Traumatic Brain Injury (TBI) Fund from the Driver Training Penalty Fund in order to fully fund services that are legislatively mandated of the TBI program. This reallocation of funds will ensure that Californians with TBI continue to receive essential services.

Due to a downward trend in the State Penalty Fund, the Traumatic Brain Injury now receives less funding than was previously allocated. This request will allow the TBI program to provide essential services to persons with Traumatic Brain Injury. This one-time allocation of \$360,000 will help stabilize the TBI fund and allow DOR to restore prior funding levels while continuing to engage with stakeholders to make informed decisions on best practices to expand services to more consumers.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 4: WORKFORCE INNOVATION AND OPPORTUNITY ACT: COMPETITIVE INTEGRATED EMPLOYMENT

DOR requests authority to redirect \$1.5 million in federal funds in order to fund 11 permanent full-time positions to establish a new Vocational Rehabilitation Service Delivery team to support competitive integrated employment consistent with the mandates of the WIOA.

Currently, DOR does not have the capacity to counsel employees with disabilities whose employers may wish to continue to pay subminimum wage once this new requirement becomes effective. The 11 positions are requested in order to establish a Vocational Rehabilitation Service Delivery team. These teams will provide career counseling and resources for self-advocacy and other training for consumers.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 5: STATE-BASED FUNDING PARITY FOR THE INDEPENDENT LIVING CENTERS

Independent Living Centers (ILCs) play a vital role in serving people who have physical, sensory, cognitive, and mental health disabilities. The state's twenty-eight centers help promote the social and economic achievements of individuals with disabilities by providing employment, housing, technology, and advocacy services.

Three of the state's ILCs, serving a total of ten counties and thousands of individuals, do not receive state funding even though they provide the same services offered at other centers. The affected ILCs include:

- Independent Living Center of Kern County (ILCKC),
- Disability Resource Agency for Independent Living (DRAIL) in Stockton,
- Placer Independent Living Resources.

Due to a lack of state funding ILCKC does not have sufficient staff to provide core services and has eliminated its program to assist homeless persons with disabilities. In addition, DRAIL is currently under staffed and has been forced to start a waiting list due to increased consumer requests. If state funding were available, DRAIL would be able to add three full-time staff to relieve the wait list.

In order to resolve this, an annual investment of \$705,000 is requested.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

ISSUE 5: HEADQUARTERS RESOURCES FOR DEVELOPMENTAL CENTER CLOSURE ACTIVITIES

The Department requests \$2.1 million Total Funds (\$1.8 million General Fund), 8.0 new positions, and the redirection of 5.0 vacant positions for staffing and contract resources needed to support the continued efforts for the closure of the Sonoma, Fairview, and Porterville GTA. This includes overseeing the development and licensing of community facilities and consumer programs, supporting layoff activities, resolving workers' compensation claims, reconciling personnel and payroll records, and collaborating and communicating with stakeholders.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 6: FISCAL AND PROGRAM RESEARCH UNIT

The Department of Developmental Services (The Department) requests \$0.9 million Total Funds (\$0.6 million General Fund) and 7.0 positions to establish a Fiscal and Program Research Unit. The new unit will compile, research, and analyze fiscal and programmatic data in response to legislative, federal government, and stakeholder inquiries regarding regional center and developmental center programs and the provision of services to persons with developmental disabilities.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 7: HOME AND COMMUNITY-BASED SERVICES FEDERAL REGULATIONS

The Department requests \$0.5 million Total Funds (\$0.3 million General Fund) and 4.0 positions to accommodate increased workload associated with complying with the Centers for Medicare and Medicaid Services' (CMS) new Home and Community-Based Services regulations. The new, comprehensive regulations create additional workload for planning, training, assessing, and reporting activities to demonstrate compliance by March 2019 in order for the State to maintain \$1.7 billion annually in federal financial participation reimbursements for Purchase of Services expenditures.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 8: INCREASED VENDOR AUDIT COVERAGE

The Department requests \$1.0 million Total Funds (\$0.7 million General Fund) to permanently establish and retain funding for 7.0 limited-term auditor positions in the Vendor Audit Section. The positions, originally established as limited-term in Fiscal Year 2014-15, will continue to provide audit coverage and oversight of the more than \$4.6 billion in vendor payments disbursed each fiscal year.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 9: PORTERVILLE DEVELOPMENTAL CENTER – UPGRADE FIRE ALARM SYSTEM

Additionally, the Department requests \$6.5 million GF for the construction phase of the upgrade to the fire alarm system at Porterville DC-STP. This funding will purchase and install a new Fire Alarm System in 10 buildings. The Preliminary Plans and Working Drawings phases were funded in last year's budget act.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 10: CASELOAD AND UTILIZATION ADJUSTMENTS

The Governor's budget proposes a \$235 million increase (\$149.2 million GF increase) in regional center OPS and POS as follows:

- OPS increase of \$22.3 million (\$16.2 million GF)
- POS increase of \$212.7 million (\$133 million GF)

The major increases in POS expenditures are within the day programs, support services, in-home respite, health care, and miscellaneous budget categories, all of which reflect updated expenditure data and consumer growth.

The May Revision updates OPS and POS costs by an increase of \$7.6 million increase (\$7.6 million GF decrease) as follows:

- OPS increase of \$900,000 (\$1 million GF increase)
- POS increase of \$6.7 million (\$8.6 million GF decrease)

The OPS increase is the net of increased staffing resulting from increased caseload and adjustments for OPS Projects. The POS increase is the net difference of adjustments for all purchase of service budget categories based on updated caseload and expenditure projections.

This proposal was originally heard at this Subcommittee's hearing on March 16th and the May Revision adjustment was heard on May 18th.

Staff Recommendation: Approve as Budgeted.

ISSUE 11: HOME AND COMMUNITY BASED SERVICES, NEW REGULATIONS WORKLOAD

The Governor's budget proposes a \$1.6 million increase (\$0.9 million General Fund increase) in Operations (OPS) to fund an additional 21 Program Evaluator positions within the regional centers to ensure HCBS program settings are integrated into the community by March 2019, as required by the new regulations. In addition, a \$15.0 million increase (\$11.0 million General Fund increase) in Purchase of Services (POS) to fund modifications to some service providers' programs that will be necessary for compliance with HCBS regulations by March 2019, to continue to receive federal HCBS funds.

DDS views the \$15 million as a grant program that providers and Regional Centers can apply to in order to receive additional funds for the purpose of transitioning noncompliant services into compliance with federal mandates.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 12: CONSUMER PROGRAM COORDINATORS TO IMPROVE CASELOAD RATIOS

The Governor's budget proposes a \$17 million increase (\$13 million General Fund increase) to fund additional regional center (RC) consumer program coordinator positions to reduce caseload ratios and improve case management functions. Regional center case management services are eligible for federal funding participation for consumers enrolled under the Home and Community-Based (HCBS) waiver. It is estimated that this proposed funding would support the addition of about 200 coordinator positions, about one-third of what is estimated to meet federal caseload ratio requirements.

The budget also includes provisional budget bill language requiring regional centers to report annually to the department the number of staff hired with these additional funds and the effectiveness of these funds in reducing average caseload ratios.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 13: 4-BED RATE ALTERNATIVE RESIDENTIAL MODEL (ARM) HOMES

The Governor's budget proposes a \$46.0 million increase (\$26.0 million General Fund increase) to fund ARM rates based on a four-resident model for Community Care Facilities vendored to serve four or fewer individuals. There is also trailer bill language related to the implementation of a new rate model for 4-bed facilities.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve as Budgeted.

ISSUE 14: MINIMUM WAGE INCREASES

The Governor's budget proposes a \$62.4 million increase (\$35 million General Fund increase) in POS to fund the requirements of Assembly Bill 10 (Chapter 351, Statutes of 2013) that increased the State minimum wage from \$9.00 to \$10.00 effective January 1, 2016.

The May Revision includes an increase of \$21.2 million (\$12 million GF) in POS to reflect costs associated with state mandated hourly minimum wage increase from \$10.00 to \$10.50 effective January 1, 2017. Additionally, the Department is proposing TBL to allow regional centers to negotiate rates with service providers to account for minimum wage increases.

This proposal was originally heard at this Subcommittee's hearing on March 16th, the May Revision update was heard on May 18th.

Staff Recommendation: Approve as Budgeted.

ISSUE 15: SENATE BILL 3 – TRAILER BILL LANGUAGE

The May Revision includes language to amend Welfare and Institutions Code Sections 4681.6, 4691.6 and 4691.9, effective January 1, 2017, to allow the Department and regional centers to adjust specified provider rates for the state minimum wage adjustments. For services with rates set either by the Department based on cost statements, or by the regional centers through negotiation with vendors, the proposed change allows providers to request rate adjustments only for the purpose of funding the state minimum wage increase, and associated payroll costs if the provider can demonstrate the adjustment is necessary and not already provided.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Adopt placeholder trailer bill language.

ISSUE 16: FAIR LABOR STANDARDS ACT IMPLEMENTATION

The Governor's budget proposes a \$54.2 million increase (\$29.2 million General Fund increase) in POS to reflect full year implementation of the Fair Labor Standards Act (FLSA) to include home care workers in overtime compensation.

The May Revision provides a \$35.7 million decrease (\$19.3 million General Fund decrease) to refine the estimate of expenditures for FLSA provisions to include home care workers in overtime compensation.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve May Revision.

ISSUE 17: AB 1522 – PAID SICK LEAVE

The May Revision provides a decrease of \$6.3 million (\$3.6 million General Fund decrease) in POS to reflect more current expenditures resulting from the implementation of paid sick days by service providers.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Approve May Revision.

ISSUE 18: BEHAVIORAL HEALTH TREATMENT (BHT)

The Governor's budget proposes a \$4.5 million decrease (\$2.2 million General Fund decrease) in POS to reflect a reduction in expenditures for the consumers who began receiving BHT services in September 2014 from DHCS as a Medi-Cal benefit per Senate Bill 870 (Chapter 40, Statutes of 2014).

The May Revision includes a decrease of \$140.5 million (\$69.4 million GF decrease) in POS to reflect a reduction in expenditures for the transition of BHT services to DHCS which began on February 1, 2016, and to account for regional centers continuing to provide BHT services to fee forservice consumers through an interagency/reimburse ment agreement with DHCS.

This proposal was originally heard at this Subcommittee's hearing on March 16th, the May Revision adjustment was heard on May 18th.

Staff Recommendation: Approve May Revision.

ISSUE 19: REPEAL EARLY START PREVENTION RESOURCES AND REFERRAL SERVICES PROGRAM STATUTE

The Proposed Trailer Bill Language related to the Early Start Prevention Program repeals language from 2011 and allows for the continued restoration of the program.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff Recommendation: Approve proposal to repeal trailer bill language.

ISSUE 20: HCBS INTENT LANGUAGE

In January, the Department proposed intent language regarding compliance with federal Medicaid home and community-based services. At this time, no language has been approved.

This proposal was originally heard at this Subcommittee's hearing on March 16th.

Staff recommends rejecting the proposed language.

Staff Recommendation: Reject the proposed intent language.

ISSUE 21: EMPLOYEE COMPENSATION AND STAFF BENEFIT CONTRIBUTIONS

DDS proposes a \$14.2 million increase (\$9.4 million GF increase) for 2016-17 employee compensation augmentations approved through the collective bargaining process, as well as increases in retirement and other staff benefit employer contribution rates.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve as Budgeted.

ISSUE 22: DEVELOPMENTAL CENTER STAFFING ADJUSTMENTS

DDS proposes a \$8.8 million decrease (\$4.9 million GF decrease) and a total reduction of 129.2 positions (63.1 Level of Care and 66.1 Non-Level of Care) based on an estimated population decline of 188 DC residents transitioning into the community. The reduction reflects adjustments to staffing for specialized support and closure activities.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve as Budgeted.

ISSUE 23: SONOMA DEVELOPMENTAL CENTER PRELIMINARY ADVANCED CLOSURE COSTS**Fiscal Year 2015-16**

In the November Estimate, DDS requested a Current Year (CY) 2015-16 increase of \$4.1 million (\$3.3 million GF) to fund Staffing Adjustments, Sonoma DC Preliminary Advanced Closure Costs, and the full-year costs for the Sonoma Acute Crisis Unit. However, due to higher than anticipated employee vacancy rates, there are sufficient salary savings available to administer the CY needs on a one-time basis.

Therefore, DDS is revising the CY funding augmentation as follows:

- -\$1.5 million (-\$0.8 million GF) Staffing Adjustments
- -\$1.7 million (-\$1.1 million GF) SDC Advanced Closure Costs
- -\$0.9 million (-\$1.4 million GF) SDC Acute Crisis Unit

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve May Revision.

ISSUE 24: OFFICE OF PROTECTIVE SERVICES RECORD MANAGEMENT SYSTEM**Fiscal Year 2016-17**

The Governor's Budget proposes a \$0.4 million increase (\$0.3 million GF increase) to fund the acquisition of a Records Management System that will enable the Department's Office of Protective Services to efficiently and effectively report, manage, and track DC investigations, including within the Porterville DC-Secured Treatment Program (PDC-STP) and Canyon Springs Community Facility which are not slated for closure.

The May Revision includes a decrease of \$0.4 million (\$0.3 million General Fund) in funding requested to procure a Records management System. Given the critical need for the system, DDS reprioritized information technology projects and purchased the system using existing Fiscal Year 2015-16 base funding.

This proposal was originally heard at this Subcommittee's hearing on April 27th and the May Revision to the proposal was heard on May 18th.

Staff Recommendation: Approve May Revision.

ISSUE 25: DEVELOPMENTAL CENTERS WORKERS' COMPENSATION CASES

DDS proposes a \$2.3 million net decrease (\$1.0 million GF increase) in appropriation from \$17.3 million (\$9.1 million GF) to \$15 million (\$10.1 million GF) to fund the settlement of remaining open permanent and stationary Workers' Compensation claims associated with current and former employees assigned to work at the various DCs and the State Operated Community Facilities. DDS requests that this \$15 million level of funding continue throughout the DC closure timeline.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve as Budgeted.

ISSUE 26: PERSONAL ALARM LOCATING SYSTEM AT PORTERVILLE DEVELOPMENTAL CENTER

DDS proposes a \$1.8 million GF increase to replace the Personal Alarm Locating System in the Porterville Developmental Center – Secure Treatment Program areas.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve as Budgeted.

ISSUE 27: DEVELOPMENTAL CENTER AUDIT FINDINGS

In January, DDS proposed a \$3.8 million GF increase payable to the Department of Health Care Services for audit findings estimated to be payable in the Budget Year.

The May Revision includes a decrease of \$3.8 million originally requested to repay audit findings to Department of Health Care Services (DHCS). After the release of the Governor's January Budget for 2016-17, DHCS reduced the amount due from DDS for prior year audit findings payable in both 2015-16 and 2016-17. Funds transferred in 2015-16 through a Budget Revision from Local Assistance to State Operations are now sufficient for DDS to repay DHCS for 2011-12 audit findings that were previously budgeted at \$3.8 million for repayment in 2016-17.

This proposal was originally heard at this Subcommittee's hearing on March 16th, the May Revision adjustment was heard on May 18th.

Staff Recommendation: Approve May Revision proposal to withdraw need for funding in 2016-17.

ISSUE 28: ACUTE CRISIS UNIT AT SONOMA DEVELOPMENTAL CENTER

DDS proposes a \$1.0 million net increase (\$1.4 million GF increase) to fund the full year costs associated with staffing the unit for a full fiscal year. The initial request made during the 2014 May Revision was limited by statute to only reflect one-half of the 2014-15 fiscal year staffing costs. This increase is necessary to fund the full fiscal year.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve as Budgeted.

ISSUE 29: KEY STAFF FUNCTIONS TO BE CENTRALIZED AT HEADQUARTERS

DDS proposes a \$1.0 million decrease (\$0.8 million GF decrease) and 9.0 position reduction due to DDS revising the November 2014 assumption that identified Lanterman DC Post-Closure activities, and now requests that these and other positions throughout the DC system be transferred to HQ and centralized as the department moves forward with closing multiple facilities with overlapping timelines.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve as Budgeted.

ISSUE 30: COMMUNITY PLACEMENT PLAN FUNDING FOR THE DEVELOPMENT OF COMMUNITY RESOURCES

The Governor's January Budget includes an increase of \$30.8 million (\$28.3 million General Fund increase) to develop resources to support the transition of DC residents into the community from Sonoma, Fairview, and Porterville GTA. This includes \$4.1 million for regional center operations, and \$26.6 million to develop community living arrangements and place consumers moving from the DCs. This amount is in addition to regular Community Placement Plan proposed funding of \$68 million.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Approve as Budgeted.

ISSUE 31: INDEPENDENT MONITORING CONTRACT FOR FAIRVIEW AND PORTERVILLE DEVELOPMENTAL CENTERS

The May Revision includes an increase of \$1.9 million (\$1.2 million General Fund) to fund an independent monitoring contract. While negotiations with the Centers for Medical Services (CMS) remain ongoing for the continued certification of Fairview and Porterville General Treatment Area (GTA), DDS anticipates a requirement for independent monitoring at Fairview and Porterville GTA, similar to the requirement at Sonoma.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Approve May Revision.

ISSUE 32: PROVISIONAL LANGUAGE: RETENTION STIPENDS FOR DEVELOPMENTAL CENTERS STAFF

In the May Revision, DDS proposed a retention incentive to encourage DC employees to remain employed throughout the DC closures to provide continuity of habilitation and treatment services and ensure the health and safety of DC residents.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Approve May Revision.

ISSUE 33: EXEMPTION FROM PUBLIC CONTRACT CODE TO BECOME A REGIONAL CENTER VENDOR

DDS proposes trailer bill language to add an exemption to the Public Contract Code (PCC) to allow current developmental center (DC) employees to contract with regional centers to become community based providers. Currently, employees must terminate their employment before they can begin the start-up vendorization process.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Adopt placeholder trailer bill language.

ISSUE 34: SPECIAL MANAGED CARE PROVISIONS FOR DEVELOPMENTAL CENTERS

DDS, in consultation with DHCS, proposes trailer bill language for special managed care provisions to cover qualified individuals moving into the community from the Sonoma, Fairview and Porterville-GTA DCs. Available and accessible health care is a key component for the individual to successfully transition from the DC to the community. Family members and other stakeholders continue to articulate strong concerns regarding access to appropriate medical and dental care in the community. The language is necessary for the coordination and provision of specialized health and medical care for Medi-Cal eligible residents transitioning into the community.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Adopt proposed trailer bill language.

ISSUE 35: DEFERRED MAINTENANCE

Deferred Maintenance will be handled in Assembly Budget Subcommittee Number 4 on State Administration.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Conform to Assembly Budget Subcommittee Number 4 on deferred maintenance requests.

ISSUE 36: SPRING FINANCE LETTER: SONOMA DEVELOPMENTAL CENTER ASSESSMENT

The Department requests \$2.24 million General Fund to contract with the Department of General Services for an assessment of the Sonoma Developmental Center property, buildings, and clinical records.

This proposal was originally heard at this Subcommittee's hearing on April 27th.

Staff Recommendation: Approve the Spring Finance Letter.

ISSUE 37: HEADQUARTERS RESOURCES FOR IMPLEMENTATION OF ABX2 1

DDS requests \$752,000 (\$513,000 General Fund) to fund five positions and temporary help for its Headquarters programs to implement the requirements of ABX2 1. More specifically, DDS requests positions and resources to collaborate with regional centers and a wide variety of other stakeholders to implement recommendations and plans to reach underserved populations, complete a rate study addressing the sustainability of community based services, and establish guidelines for two new Initiatives related to statewide competitive integrated employment for individuals with developmental disabilities.

The requested resources will also provide for the oversight and reporting of new competitive integrated employment initiatives, the allocation and reporting of funds and effects of regional center and provider salary and rate increases, and the monitoring and analysis of regional center expenditures and utilization of service codes as a basis to inform future estimates. Without additional positions and funding, DDS will be unable to develop and implement in a timely manner the new program requirements in ABX2 1, or monitor and report on the effectiveness of the funds appropriated to regional centers and community providers as required by statute.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Approve May Revision.

ISSUE 38: ABX2 1 CLEAN-UP TRAILER BILL LANGUAGE

The Department proposes TBL to amend portions of ABX2 1 to include out-of-home respite services in the five percent respite rate increase, and to clarify that all vendors, not just supported employment vendors, are eligible for competitive integrated employment incentives. It also clarifies that payments made to competitive integrated employment providers are not in addition to payments made for supported employment providers.

This proposal was originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Adopt as placeholder trailer bill language.

ISSUE 39: ADDITIONAL PLACEHOLDER TRAILER BILL LANGUAGE

The Subcommittee also wishes to adopt the following various placeholder trailer bill language to:

- Require that reports of injuries, death, restraint usage, and incidents of seclusion, for example, at community facilities be reported to the federally mandated protection and advocacy agency;
- Limit the use of seclusion and restraints in community facilities licensed by the Department of Social Services;
- Ensure Regional Center consultation with stakeholders in developing proposals for the \$11 million authorized in the special session; and
- Ensure that self-determination local advisory committees which provide oversight of the Self Determination Program can provide outreach and training about the Self Determination Program

These proposals were originally heard at this Subcommittee's hearing on May 18th.

Staff Recommendation: Adopt as placeholder trailer bill language.
