

EXECUTIVE DIRECTOR'S REPORT

FY 2024-25 Budget Update

BACKGROUND:

The Governor released his [January Budget](#) proposal for FY 2024-25 on January 10, 2024. During its January 2024 Board of Directors meeting, ARCA established its Budget positions, which were communicated formally to the Administration and the Legislature on February 1, 2024. Since that time, Assembly Budget Subcommittee #2 (“Sub 2”) held its initial Budget hearing on the developmental services system, with the Senate Budget Subcommittee #3 (“Sub 3”) scheduled for March 21, 2024. Unlike last year, no additional Budget hearings focused on developmental services have been scheduled before the release of the Governor’s revised Budget proposal in May.

ANALYSIS/DISCUSSION:

Ahead of Budget hearings a diverse group of stakeholders, including ARCA, California Community Living Network, CalTASH, California Disability Community Action Network, California Disability Services Association, Disability Voices United, and Service Employees International Union, submitted a letter to both houses of the Legislature in opposition to the proposed delay of the rate model implementation. It highlighted the negative impact on service access, equity, and quality this proposal would have.

During the [February 28, 2024](#), Sub 2 hearing, topics discussed included the proposed delay of the final phase of the rate models, the Master Plan for Developmental Services, equity, social recreation and camp, remote planning team meetings, Self-Determination Program, and the elimination of certain family fees. The dominant topic during the hearing was the proposed one-year delay in anticipated provider rate increases – a proposal that would result in \$1B less funding for developmental services (including \$400M in federal funds) in FY 2024-25 than anticipated. Legislative members expressed opposition to the proposal and when questioned the representative from the Department of Finance indicated that decision was driven by the state’s significant budgetary shortfall. In late February, the Legislative Analyst’s Office estimated the [budgetary gap to be \\$73B](#).

On March 8, 2024 a legislative sign-on letter authored by Assemblymember Stephanie Nguyen was submitted with 35 legislative signatures in opposition to the delayed rate model implementation. It notes the workforce shortages this proposal would exacerbate and the lower volume of federal dollars the state would be able to claim to support those served by the regional center system.

On March 14, 2024 the Senate proposed the Legislature take “[early action](#)” on various proposed solutions, to begin closing the shortfall earlier in the Budget process. Notably, the only action proposed in this package that impacts developmental services directly is the proposal to delay implementation of the preschool grant program.

While the agenda for the Sub 3 hearing has not yet been released, topics of discussion are likely to overlap those highlighted by Sub 2.

The Governor will release an update to the January Budget no later than May 14, 2024, which will start a second round of Budget hearings in both the Assembly and Senate. By no later than June 15, 2024, the Legislature must approve a balanced Budget for FY 2024-25 and present it to the Governor for his consideration. The goal is to finalize the Budget and all associated statutory changes (known as “Trailer Bill Language”) by or before July 1, 2024.

ATTACHMENT(S): *Stakeholder Rate Delay Letter and Legislative Rate Delay Letter*



February 26, 2024

Senator Caroline Menjivar
Chair, Senate Budget Subcommittee No. 3 on Health and Human Services

Assemblymember Dr. Corey A. Jackson
Chair, Assembly Committee on Budget, Subcommittee No. 2 on Human Services

RE: Governor's 2024-25 Proposed Budget to Delay Rate Implementation for Developmental Services

Honorable Senator Menjivar and Assemblymember Dr. Jackson,

The signers of this letter and the organizations they represent strongly oppose the Governor's budget proposal to delay the rate implementation for developmental services from July 1, 2024 to July 1, 2025.

We firmly believe that: 1) every person with developmental disabilities should have **access** to the services they need and are entitled to; 2) services should be available **equitably** to every person irrespective of their race, ethnicity, or regional center; 3) services should be person-centered and high **quality** with meaningful outcomes set by the person tied to funding. We are deeply concerned about the impact of this delay on access, equity, and quality for services to individuals.

Quality outcomes require a sufficient, high-quality workforce. Currently, high vacancy and attrition rates of direct care staff mean that individuals are on de facto waiting lists for services and/or are only receiving a fraction of the services they need. The system is still recovering from staffing shortages and service disruptions caused by the pandemic. Delaying the full rate implementation – while simultaneously the fast food industry minimum wage goes into effect – will further **de-stabilize** critical services for nearly half a million Californians and their families.

In addition, if the rate increases are delayed, it certainly will postpone the full implementation of the quality incentive program to improve outcomes, which only goes into effect after the final increase is provided. The Legislature should ensure that the Department accelerates the development and implementation of a system to incentivize quality. Keeping the rate increase effective date as July 2024 provides the hope that outcomes for people with disabilities will start improving more quickly.

The 2019 Department of Developmental Services (DDS) Rate Study provided a solid roadmap to evaluate service provider rates. A delay in implementation this year risks the potential for additional delays in future years. Administrative delays and a lack of required updates to rate models are undermining the value of the Rate Study before it is fully implemented. The rate models are a critical tool for the Legislature to support the provision of quality outcomes for people receiving services and their families, the sustainability of the direct care workforce, and



the system capacity to ensure that individuals from all backgrounds have equitable access to high quality services.

We urge the Legislature to reject the Governor’s proposed delay and to fully implement the rate models on July 1, 2024 as previously agreed by the Legislature and the Governor.

Sincerely,

Statewide

Nicole Suydam
[Association of California Goodwills](#)

Jodie Agnew-Navarro
[Cal-TASH](#)

Amy Westling
[Association of Regional Center Agencies](#)

[Marty Omoto](#)
 CDCAN

Kelly Headrick
[Autism Speaks](#)

Will Leiner
[Disability Rights California](#)

Karen Navarro & Rebecca Laboriel
[California APSE](#)

Judy Mark
[Disability Voices United](#)

Mark N Melanson
[California Community Living Network](#)

Kristie Sepulveda-Burchit
[Educate. Advocate.](#)

Barry Jardini
[California Disability Services Association](#)

Robert Harris
[SEIU California](#)

Alex Mountford
[California Respite Association](#)

[Shawn Kennemer](#)
 The Alliance Supporting People w/ IDD

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Assembly California Legislature



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COMMITTEES
BUSINESS AND PROFESSIONS
COMMUNICATIONS AND CONVEYANCE
JOBS, ECONOMIC DEVELOPMENT, AND
THE ECONOMY
PUBLIC EMPLOYMENT AND RETIREMENT
PUBLIC SAFETY

SELECT COMMITTEE
CHAIR: MENTAL HEALTH ACCESSIBILITY
WITHIN NON-ENGLISH SPEAKING
COMMUNITIES

March 8, 2024

The Honorable Corey Jackson
Chair, Assembly Budget Subcommittee 2 on
Human Services
1021 O Street, Room 6120

The Honorable Caroline Menjivar
Chair, Senate Budget Subcommittee 3 on
Health and Human Services
1020 N Street, Room 502

Re: Request for Uninterrupted Implementation of Disability Service Provider Rate Increase

Dear Chairs Jackson and Menjivar,

I respectfully request that implementation of the disability service provider rate increase continue, that was slated to begin on July 1, 2024, and not be delayed.

As you know, disability service providers assist and provide supports for those with intellectual and developmental disabilities. Chronic underfunding for decades has led to workforce shortages that are unsustainable and put individuals with disabilities and their families at risk.

Sustained funding for the disability community and the providers that serve them is crucial for the developmental disability services system to function. Delaying the rate increase will not only exacerbate work force shortages already stressing the system, but the system also could miss out on receiving potentially \$400 million in matching federal funds to support service providers.

Please join me in safeguarding California's developmental disabilities services system by supporting the service providers that individuals with disabilities and families across the state rely on.

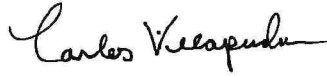
Respectfully,

STEPHANIE NGUYEN
Assemblymember, District 10

JOE PATTERSON
Assemblymember, District 5

MEGAN DAHLE
Assemblymember, District 1

JIM PATTERSON
Assemblymember, District 8



CARLOS VILLAPUDUA
Assemblymember, District 13



ALEX LEE
Assemblymember, District 24



TIMOTHY GRAYSON
Assemblymember, District 15



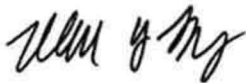
ESMERALDA SORIA
Assemblymember, District 27



MIA BONTA
Assemblymember, District 18



EVAN LOW
Assemblymember, District 28



PHILIP TING
Assemblymember, District 19



DAWN ADDIS
Assemblymember, District 30



LIZ ORTEGA
Assemblymember, District 20



DEVON MATHIS
Assemblymember, District 33



DIANE PAPAN
Assemblymember, District 21



TOM LACKEY
Assemblymember, District 34



JUAN ALANIS
Assemblymember, District 22



EDUARDO GARCIA
Assemblymember, District 36



Pilar Schiavo
Assemblymember, District 40



LISA CALDERON
Assemblymember, District 56



JACQUI IRWIN
Assemblymember, District 42



BLANCA PACHECO
Assemblymember, District 64



JAMES RAMOS
Assemblymember, District 45



AVELINO VALENCIA
Assemblymember, District 68



GREG WALLIS
Assemblymember, District 47



TRI TA
Assemblymember, District 70



BLANCA RUBIO
Assemblymember, District 48



LAURIE DAVIES
Assemblymember, District 74



MIKE FONG
Assemblymember, District 49



BRIAN DAHLE
Senator, District 1



ELOISE GÓMEZ REYES
Assemblymember, District 50



ROGER NIELLO
Senator, District 6



SHANNON GROVE
Senator, District 12



ROSILICIE OCHOA BOGH
Senator, District 23



DAVID MIN
Senator, District 37

EXECUTIVE COMMITTEE

No Executive
Committee Meeting
on
March 13, 2024

ARCA

Master Plan for Developmental Services

BACKGROUND:

As part of its January 2024 Budget proposal, the Administration included its plan to develop a Master Plan for Developmental Services within the next year. The aim of this effort is to “establish a more quality-driven and consumer-friendly experience” through the development of a “program management system, that will be used to collect and analyze data and make recommendations that emphasize quality, equity, and outcomes, while improving regional center accountability.” It was also noted the plan will be “person-centered, equity-focused, and data-driven.”

ANALYSIS/DISCUSSION:

At its January 2024 meeting, the ARCA Board of Directors established the following priorities for the development of the plan, while noting its implementation would require clarity regarding the overarching goal for the system, consistent metrics to define success, sustainable funding, and a systematic strategy to address workforce capacity challenges:

1. The preservation of the entitlement to needed services and supports as defined in the Lanterman Act and clarified in the ruling of *ARC v. DDS* (1985) 38 Cal. 3d 385;
2. Ensuring the equitable availability, including along racial, ethnic, geographic, socioeconomic, and linguistic lines, of flexible and sustainable services needed to help individuals achieve person-centered outcomes;
3. Alignment of policies and available supports with the commitment to California’s Employment First Policy;
4. Supporting community inclusion and participation, including through efficient access to generic services and specialty supports such as accessible transportation;
5. Leveraging innovative technology to improve the lives of people served by regional centers; and,
6. Proactively preparing for the changing service needs of people served across their lifespans taking into account changing diagnostic and demographic trends.

The California Health and Human Services Agency (CalHHS) has developed a webpage on this topic that can be accessed [here](#). It will be updated to include additional information regarding the work of the Stakeholder Committee and subcommittees as it evolves. It notes that “This Master Plan will not be developed in a vacuum in Sacramento...” and invites recommendations for community roundtables to also inform the work.

CHHS announced the membership of the [Stakeholder Committee](#). It includes self-advocates, family members, and representation from advocacy groups, service providers, and regional centers. There are also representatives from the broader disability community and aging system given the stated intent “to create and strengthen bridges that connect the developmental services system to other critical systems across CalHHS, and other systems and services including education, housing, employment, transportation, and safety.”

On February 26, 2004 the Lanterman Coalition issued its letter on the Master Plan, which echoes many of the priorities established by ARCA. It additionally offers specific recommendations for updating funding models, including the need to “review and modernize regional center funding” and highlights the importance of both the preservation of choice and implementation of existing commitments made to those served and their families.

Stakeholder Committee meetings have been scheduled for April 10, 2024 (Sacramento and virtual), April 24 (virtual only), and May 15 (Los Angeles and virtual).

ATTACHMENT(S): *Lanterman Coalition Letter on the Master Plan for Developmental Services*

LANTERMAN COALITION



A coalition of statewide associations and organizations representing people with intellectual and developmental disabilities and their families.



February 26, 2024

Member organizations of the Lanterman Coalition represent tens of thousands of stakeholders in California's Intellectual and Developmental Disability (IDD) community. Our top priority is that each person receives the high quality, person-centered services and supports that they choose and that are the core promise of the Lanterman Act. Furthermore, we strongly believe that individuals from all backgrounds and all geographic regions should have equitable access to services to meet their unique needs and choices.

With that in mind, the Lanterman Coalition wishes to respond to Governor Newsom and the administration's intent to develop a Master Plan for Developmental Services to "outline shared goals of developing a system that is person-centered, equity-focused, and data-driven while maximizing the effectiveness of recent investments to improve outcomes for consumers."

The Lanterman Coalition shares the enthusiasm of the administration to have a long-term vision and commitment to the enrichment of the service system that should be forward thinking and unified for the future of all Californians with Intellectual and Developmental Disabilities. **All efforts and recommendations must be predicated on an adequately funded system of services and supports, which includes full implementation and regular updating of the DDS rate models. The master plan process should in no way delay or reallocate these promised investments and their intended purpose.**

The process to develop the master plan process should be inclusive and transparent, allowing for input from all stakeholders from across California and across all aspects of the developmental services system. In addition, the Lanterman Coalition believes that the following core principles must be honored, while recognizing the efforts underway for the last several years for DDS system reform:

1. Keep the Promise, preserve the Lanterman Act and its entitlement to services.
2. Recognize a Consumer's Individual Program Plan (IPP) is an existing person-centered plan and legal agreement that entitles an individual to services. Implementing those existing plans should be a priority above all other plans.

3. Development of a periodic process to review and update rate models to assure that rates for services to Californians with IDD reflect the actual cost of such services, including staff being paid appropriate wages.
4. Align with California's Employment First policy.
5. Improve inclusion and community access.
6. Innovate services and systems through technology and data collection/analysis, including incorporating remote services and supports.
7. Proactively plan for the evolution of service needs and increasing lifespan of people served.
8. Review and modernize the quality incentive structure to align with established best practice for incentivizing quality outcomes.
9. Review and modernize regional center funding.

As always, members of the Lanterman Coalition look forward to working collectively with the IDD stakeholder community, including DDS and the Administration, to plan for the future while also addressing existing issues facing the system such as chronic underfunding, the increased costs of providing services, workforce scarcity and development, and preservation of participant choice.

MEMBER ORGANIZATIONS

The Lanterman Coalition consists of the major stakeholders in California's community based developmental services system. Membership in the coalition requires a commitment to (1) the Preservation of the Lanterman Act and the entitlement [A], (2) no categorical elimination of services, (3) no enrollment caps or waiting lists, (4) no reductions to services and supports important to people with Intellectual and Developmental Disabilities and their families and (5) full support of the community imperative [B] and the Olmstead decision.

[A] It is through the IPP procedure that the right the Act grants to each developmentally disabled person and the obligation it imposes on the state are implemented; through it, the developmentally disabled person on an individual basis receives, as an entitlement, services that enable him to live a more independent and productive life in the community. (ARC v DDS). [B] In fulfillment of fundamental human rights and in securing optimum developmental opportunities, all people, regardless of the severity of their disabilities, are entitled to community living.

Partners in Policymaking 2024

BACKGROUND:

TCRC and ARCA agreed to engage in a statewide advocacy training program for self- and family-advocates identified by each regional center as a potential untapped leader in their community. The curriculum will be delivered to two separate groups, one in English/American Sign Language (ASL) and the other for Spanish-speakers who may be either monolingual or bilingual.

The training program was designed around the Partners in Policymaking curriculum developed in 1987 by Colleen Wieck and the Minnesota Governor's Council on Developmental Disabilities. The program is updated on a regular basis and continues to be an advocacy training gold standard across the country. Joseph Shapiro, author of "No Pity" and National Public Radio reporter wrote the following article about the training program's impact and purpose: [Teaching Parents of Kids with Disabilities To Fight Back](#)

ANALYSIS/DISCUSSION:

The English/ASL Cohort consists of:	The Spanish/Bilingual Cohort consists of:
57 Advocates	18 Advocates
23 Self-identified as having a disability	2 self-identified as having a disability.
40 identified as a parent or family member of a person with a disability	16 identified as a parent or family member of a person with a disability
30 parents or family members report having a son or daughter or family member who is in special education	11 parents or family members report having a son or daughter or family member who is in special education
The most common responses as to why they are participating is to be a better advocate, help people with disabilities, and to receive and understand services and support.	Advocating for services was the most common response about why they wanted to participate.

Selected participants received an email on March 8th congratulating them and thanking them for agreeing to take this journey together. The training provides foundational disability rights history, competency-based advocacy skills and strategy, and best practice descriptions and innovation in three key service areas, (1) community living, (2) employment, and (3) inclusive education. We will emphasize advocacy that focuses on first understanding systems and processes in policymaking, then partnering with regional centers and others to implement effective systems change strategies. The seven sessions between mid-March and mid-June 2024 will include the following topics:

1. Orientation
2. Partners in Time (History)
3. Partners in Making Your Case (Advocacy)
4. Partners in Living (Community Living Options)
5. Partners in Education (Inclusive Education)
6. Partners in Employment (Integrated Work)
7. Culminating Weekend (In-Person Session)

All sessions with the exception of the in-person convening will be recorded and archived to allow participants to get the benefit of sessions they are unavailable to attend. Additionally, before the in-person convening, the project coordinators will offer make-up sessions as needed.

ATTACHMENT(S): English and Spanish Informational Flyers