

CALIFORNIA LEGISLATURE

STATE CAPITOL
SACRAMENTO, CALIFORNIA
95814

October 27, 2014

Governor Jerry Brown
Office of the Governor
State Capitol, Suite 1173
Sacramento, CA 95814

Dear Governor Brown:

Since the ratification of the Lanterman Act in 1977, California has recognized the right of people with developmental disabilities to live an independent and normal life. To facilitate the promise of the Lanterman Act, California created 21 regional centers to triage and direct more than 260,000 people with developmental disabilities to some 65,000 providers who furnish the appropriate support and services they need.

But the state's ability to meet our basic obligations to Californians with developmental disabilities is being severely hindered by a lack of employee cost of living increases for regional center employees and inadequate service provider rates.

Cost of living increases for employees and providers lag far behind inflation. The result has not only imperiled service providers who are struggling to remain open but has seriously undermined the ability of our regional centers to recruit and retain a qualified staff.

While state agencies generally build in cost increases such as health benefits, transportation cost increases and negotiated salary COLAs, regional centers and vendors within the California Department of Developmental Services (DDS) system do not have these accepted adjustments.

The California Department of Developmental Services (DDS) has seen some adjustments to their budget for policies such as federally mandated overtime changes and the state minimum wage adjustment. However, these increases went through an arduous legislative budget process instead of being built into the January base budget. Moreover, many other new federal and state mandates have not been included and these costs are absorbed by regional centers and providers. These include adjustments for transportation increases, health benefits, minimum wage mandates by local municipalities and other costs.

In the current budget year, funding for DDS is \$5.2 billion. Since 2009, the state has reduced costs to developmental services programs by more than \$1 billion (GF) instituting restrictions on payments for specific services, across-the-board reductions, mandated furlough days, suspension of services and other cuts. Prior to that, the state had frozen rates to providers in order to contain costs. These freezes and caps have fractured the infrastructure of the community services and support systems. Without building in adjustments for cost of living increases, it will not be sustainable. In 1999, even before the substantial reductions and freezes prompted by the Great Recession, the Bureau of State Audits released a report concluding that community services were "undermined by insufficient state funding and budget cuts."

Meanwhile, pending mandates from the Federal government will require California to restructure day programs, work programs and residential settings to reduce the number of consumers and require more community inclusion. State mandates that will be implemented include the Employment First model, self-determination pilot program, and others that require more intensive case management and development of new programs.


At a Senate Human Services hearing this month, many providers testified that they are unable to sustain innovative and inclusive programs, much less expand them or create new ones because of historic freezes and caps. I realize that the cost of total restoration is outside our reach today. However, we must take steps to address the gap -- 260,000 Californians who rely on the Lanterman Act need our help.

We urge you to apply fair budget policies that treat the regional centers and providers equal to other state agencies that build COLAs and fund new federal and state mandates in their base budget.

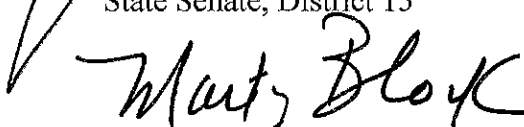
And, we respectfully request an end to the shifting of our financial responsibility for federal and state mandates onto our already fragile regional centers and providers. We strongly urge these costs -- as well as a COLA for regional center employees and providers -- be included in the January budget.

Thank you in advance for your consideration.

Sincerely,




Jim Beall
State Senate, District 15



Marty Block
State Senate, District 39



Carol Liu
State Senate, District 25



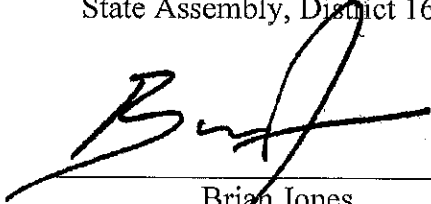
Fran Pavley
State Senate, District 27



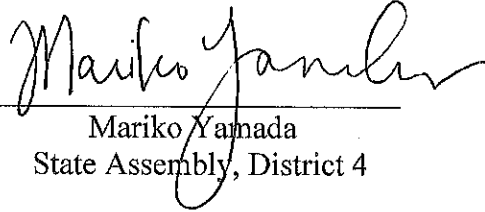
Joan Buchanan
State Assembly, District 16



Rich Gordon
State Assembly, District 24



Brian Jones
State Assembly, District 71



Mariko Yamada
State Assembly, District 4

Cc: Diana S. Dooley, Secretary, California Health and Human Services Agency
Santi Rogers, Director, Department of Developmental Services
California Senate Budget Committee Members
California Assembly Budget Committee Members