



ARCA Position Statement

Governor's 2009-10 Proposed Budget

The following represent ARCA's positions regarding the proposals included in the Governor's budget proposed for Fiscal-Year 2009-10 and the mid-year reductions for FY 2008-09.

Purchase of Service (POS)

1. Oppose the 3% payment reduction to service providers for five months in FY 2008-09 and all twelve months in FY 2009-10 (annual reduction of \$100.8 million total funds, \$60.2 million General Fund).
 - a. Most services have had their rates frozen for the past five years and this arbitrary reduction only exacerbates the rate inequities among service providers.
 - b. ARCA appreciates the fact that the State is facing an unprecedented fiscal crisis and will work with the Department of Developmental Services to explore alternative means to generate the needed savings.
 - c. ARCA also opposes the indefinite continuation of this proposed reduction and, if the reduction is implemented, believes these funds should be restored once the fiscal crisis has passed.
2. Oppose the additional proposed reduction of \$334 million General Fund.
 - a. Since this is the target for General Fund savings and the regional center budget relies heavily on Home and Community Based Services (HCBS) Waiver funds, ARCA believes the total fund reduction will be in excess of this amount. The total dollar reduction cannot be computed at this time.
 - b. A reduction of this magnitude curtails and undermines the entitlement to services as currently embodied by the Lanterman Act.
 - c. The November Estimate did not update current year consumer growth and purchase of service expenditure trends. Therefore the proposed budget seriously understates the base expenditures for the FY 2009-10 projections. This exacerbates the problem unless the current year base is updated during the May revision.

d. ARCA supports the Department's pledge to work with stakeholders over the next few months to develop proposals to achieve the targeted savings while maintaining the entitlement and ensuring program and service integrity.

3. Support the additional funds (\$6.8 million in FY 2008-09 and \$20.4 million in FY 2009-01, \$4.1 million and \$12.2 million General Fund, respectively) to offset the proposed reduction in the SSP amount to the Maintenance of Effort (MOE) floor.

4. Support the allocation of additional funds for the regional center budget needed to offset the impact of proposed budget reductions in Medi-Cal services and In-Home Support Services.

5. Support the \$485,000 increase for implementing the Self-Directed Services (SDS) program. However, ARCA has major concerns about the implementation of SDS and strongly urges an extended phase-in approach whereby SDS is implemented by the pilot regional centers for a period of at least six months before SDS is implemented in other regional centers. This period of time will be used to assess the viability of the SDS program.

6. Support the \$19.7 million decrease due to the delayed closure of Agnews Developmental Center.

Operations (OPS)

The following are ARCA's positions on the major components of the Operations budget:

1. Oppose the 3% reduction to the Operations budget for five months in FY 2008-09 and for all twelve months in FY 2009-10 (annual reduction of \$17.4 million total funds, \$12.2 million General Fund). This reduction will further exacerbate the burden regional centers face to provide services to over 12,000 more consumers in the Budget Year while maintaining mandated caseload ratios with an already underfunded budget.

a. Regional center Operations still maintains an unallocated reduction that was instituted in the early 1990's.

b. The bulk of the regional center Operations budget is calculated using the Core Staffing formula. The salaries in the Core Staffing formula, with few exceptions, have not been updated since 1991. This has resulted in the regional center Operations budget being underfunded by approximately \$150 million.

c. Continued erosion of caseload ratios will lead to reduced monitoring of consumer services which could undermine the health and safety of consumers, jeopardize the continued receipt of Federal Funds, and prevent regional centers from providing the current level of advocacy for school-age consumers.

2. Support the increase of \$792,000 to add an additional 1,835 consumers to the HCBS Waiver.
3. Support the \$236,000 increase to maintain the necessary core staffing ratio for consumers on the HCBS Waiver.
4. Support the \$3.1 million increase for additional case management related to the Capitol People First lawsuit settlement.
5. Support the \$522,000 increase for the implementation of the Self-Directed Services (SDS) program. However, ARCA has major concerns about the implementation of SDS and strongly urges an extended phase-in approach whereby SDS is implemented by the pilot regional centers for a period of at least six months before SDS is implemented in other regional centers. This period of time will be used to assess the true workload and cost of SDS to regional centers.
6. Support the \$785,000 increase for additional staff related to the closure of Agnews Developmental Center.

Developmental Centers (DC)

1. Support the reappropriation language in the Enacted Budget related to the closure of Agnews.

Other Concerns

1. Oppose the reduction to the Medi-Cal program for elimination of optional benefits, which include treatment options such as optometry, dental and psychological services.
2. Oppose the reduction in In-Home Supportive Services to reduce wages of health care workers to minimum wage, restricting services, and raising fees for some recipients.